The Warrington Bank

August 3, 2006

FinCEN
P O Box 39
Vienna, VA 22183

RE: RIN 1506-AA86

To Whom It May Concern:

Please accept this letter as a comment to the proposed change to the Threshold for the Requirement to Collect, Retain, and Transmit Information of Funds Transfers and Transmittals of Funds, and the potential effect of lowering the threshold - or eliminating the threshold altogether – as a means of combating terrorism, money laundering, and other illicit activity and protecting the U.S. financial system from these threats.

In accordance with the Bank Secrecy Act, financial institutions are required to keep records and file reports that may have usefulness in criminal, tax or regulatory investigations or in intelligence matters to protect against terrorism. The responsibilities of financial institutions under the Bank Secrecy Act have continued to expand.

The reporting of transactions under the current threshold amount that appear to be structured in an effort to circumvent reporting requirements is already required under BSA. The Suspicious Activity Reports and/or Currency Transaction Reports generated under current requirements include additional information that would seem to be of more benefit in investigations concerning money laundering and terrorism. Lowering or eliminating the threshold will make it more difficult to readily identify the structuring that is apparent with the current dollar limitation.

The following tables have been compiled to summarize our wire transfer activity for the last six months:

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OUTGOING - ORIGINATOR

Dollar Amount	% for Established Customers	% for Non-Established Customers
> $3,000.	35	1
< $3,000.	2	0
< $2,000.	18	1
< $1,000.	42	1

INCOMING – BENEFICIARY

Dollar Amount	% for Established Customers	% for Non-Established Customers
> $3,000.	57	1
< $3,000.	6	0
< $2,000.	14	1
< $1,000.	19	2

As you can see from this information, we are already collecting the data for the majority of the wires in both the incoming and outgoing categories. Collecting data for wires under $1,000 would be both labor-intensive and of little benefit.

Wires for non-established customers, comprise an extremely low percentage of our total wire transfer activity. Our identity verification measures are the same for non-established customers, regardless of the dollar amount of the wire, however, our recordkeeping practices for both established and non-established customers are more extensive at the $3,000 threshold. The regulations require that the wires be indexed by both originator and beneficiary for amounts over $3,000 so a different filing system, with additional forms and documentation is maintained for those wires. The regulations also require that additional information be recorded and retained for wires over the $3,000 threshold with regard to addresses and agents who initiate or receive wires on behalf of others.

As a small, community bank, increased recordkeeping always translates into an additional compliance burden and additional costs. Lowering or eliminating the threshold will result in an increased burden to financial institutions and may not produce the benefits expected. With increased recordkeeping, banks will be forced to review the fee schedule for wire transfers, which would ultimately result in increased fees to customers. Higher pricing will not affect the individuals for which the proposed rule change is targeted, but will significantly impact the average customer with a legitimate need for wire activity.

If industry-wide statistics were collected and analyzed in the format of the tables above, I think that the results would be similar in the distribution between dollar amounts. Lowering the threshold, in any increment, will result in additional recordkeeping for financial institutions, and most likely additional fees to consumers. When the fees for wire transfers become cost-

prohibitive, consumers will resort to utilizing other means which may not be as timely or as efficient. With the ever-increasing numbers of counterfeits of Official Checks and Money Orders, the wire transfer represents a convenient, secure method of payment.

The Bank regulators and trade magazines recognize that FinCEN is already overburdened with CTR filings and that in many instances the CTR is an ineffective tool. Lowering the wire transfer threshold or eliminating the threshold entirely would result in even more ineffective documentation that would result in increased costs to consumers and ultimately to taxpayers.

I hope that the regulatory bodies review the comments from financial institutions and from the general public and decide that the current wire transfer practices are efficient, effective in detecting illicit activity and cost-effective in their present form and that lowering the current threshold would impose an unnecessary financial and administration burden.

Sincerely,

Raymond H. Jones
President

RHJ/gr