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From: Donna Butler [dbutler@bankofflorida.com]

Sent: Thursday, May 04, 2006 11:04 AM

To: Comments, Regulation

Subject: Access to Banking Services by Money Services Businesses

"The guidance also explained the concept of a risk assessment that should be performed by a banking institution when evaluating whether or not to establish or maintain an account relationship with a money services business. Further, the guidance set forth a checklist of various risk factors with which to analyze and differentiate the various kinds of money services businesses, and discussed the nature of enhanced due diligence that banking institutions might perform on money services business customers that are identified as higher risk, and the circumstances under which such enhanced due diligence might be needed. "

The above is a direct quote from your advance notice of proposed rule making. As a long time bank employee who has worked for large regional banks, large national banks, and several small community banks, the reality of the situation is that many banks will continue to choose not to open these accounts. If you combine the initial risk assessment you describe and the ongoing involved enhanced due diligence of MSBs with the cost of regular daily maintenance (supplying large amounts of cash, fraud loss due returned checks, reviewing deposits, etc) any potential profit is removed. We were wary of MSBs before BSA became such a hot topic. Now, there is absolutely NO incentive to have these accounts. The prevailing attitude is, "let them go somewhere else, we don't want to have to deal with them". Banks are very, very wary of the the BSA regulations and are spending thousands of dollars implementing tighter and tighter controls. In spite of that, regulators who are auditing the banks continue to tighten their expectations. Any potential major risk area, like an MSB, which we can eliminate, is considered a good idea.

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