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"Gary French" <gfrench@farmersbankna.com> on 10/17/2003 02:00:27 PM

To: <210comments@fms.treas.gov>  
cc:  
Subject: Response to request for comment on Part 210 proposed changes

Attention Stephen M. Vajs, Director, Risk Management Division

Thank you for the opportunity to comment on the proposed amendments to 31 CFR, Part 210.

Of greatest concern to our bank is the proposal to convert payment instruments such as money orders, traveler's checks, certified bank checks and credit card checks.

In converting these instruments, the endorsement and any security features are lost. The endorsement is a critical piece of the reconciliation process. When these instruments are converted to ACH entries reconciliation will become a costly, manual process. With respect to cashier's checks, since the serial number is not traditionally in the MICR line, the serial number will be lost completely. The security features are important to banks in mitigating fraud losses. Converting these instruments reduces our ability to identify fraudulent instruments.

We ask that inclusion of these payment instruments in the check conversion proposal be reconsidered, and that these types of payment instruments continue to be exempted from the check conversion process.

Again, thank you for the opportunity to comment on the proposed amendments to 31 CFR Part 210, and for your consideration of our concerns.

Respectfully,

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