



FLORIDA BANKERS ASSOCIATION

ALEX SANCHEZ
CHIEF EXECUTIVE OFFICER

February 12, 2003

The Honorable John Snow
Secretary of the Department of Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Snow:

Inquiry has been made of the Florida Bankers Association whether its' comments of November 13, 2002 with respect to Deposit Interest Reporting to Nonresidents (REG-133254-02) should be taken as a blanket endorsement of the proposed rule.

FBA expressed concern to The Department of Treasury regarding what it saw as the substantial adverse effects on deposits in Unites States financial institutions by requiring disclosure of nonresident interest payments for the purpose of exchange with foreign governments. In our discussions with the Department it was clear that no study on the consequences of the then proposed regulation had been done. At the request of the Department, FBA undertook such a study of the effect of the rule in Florida. The results showed extremely negative consequences which were quantified in the report which was provided to Treasury.

The greater part, although by no means all, of nonresident alien deposits in Florida are from Central and South America and the Caribbean basin. The proposed rule was revised to provide that reports of interest payments would only be required of nonresidents from certain specified countries, none of which were in Latin America. The proposed revised rule would have much less effect on Florida than the original rule. It is a substantial improvement for the financial institutions and citizens in this state. We appreciate the Department having given consideration to our concerns and having taken steps to attenuate the effects of the rule in Florida.

While we can live with the rule as currently drafted, this does not mean that we believe that the reporting on nonresident interest to be good policy. As expressed in our prior communications, nonresident alien deposits have been important and positive to our

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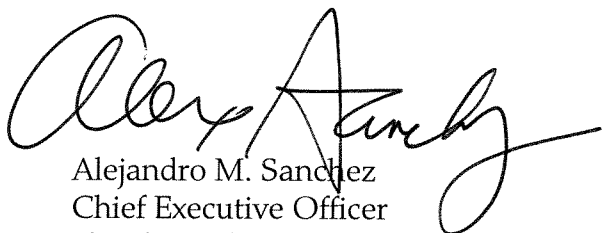
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economy and encouragement of them has been a national policy. We continue to think that whether the Department should engage in such reporting ought be very carefully considered in the light of the benefits measured against the harm it would cause.

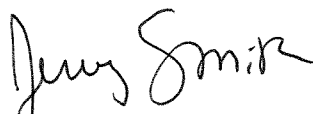
We hope this clarifies the views of the Florida Bankers Association. If you have any questions or wish any additional information please feel free to contact us.

Thank you.

Sincerely,



Alejandro M. Sanchez
Chief Executive Officer
Florida Bankers Association



Jerry M. Smith
President
Florida Bankers Association

cc: Florida Governor Jeb Bush
Congressman Dave Weldon