

**American Bankers Association
ABA Securities Association
Financial Services Roundtable
Investment Company Institute**

June 17, 2011

SUBMITTED ELECTRONICALLY

Honorable John G. Walsh
Acting Comptroller of the Currency
Office of the Comptroller of the Currency
250 E Street, SW
Mail Stop 2-3
Washington, DC 20219

Robert E. Feldman
Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Jennifer J. Johnson
Secretary
Federal Reserve Board
20th Street and Constitution Avenue, NW
Washington, DC 20551

RE: Margin and Capital Requirements for Covered Swap Entities; OCC RIN number 7100-AD74; Federal Reserve RIN number 7100 AD74; FDIC RIN number 3064-AD79, 76
Federal Register 27564, May 11, 2011

Dear Mr. Walsh, Ms. Johnson, and Mr. Feldman:

The American Bankers Association (ABA)¹, ABA Securities Association (ABASA)², Investment Company Institute(ICI)³ and Financial Services Roundtable (Roundtable)⁴ is writing to request

¹ The American Bankers Association represents banks of all sizes and charters and is the voice for the nation's \$13 trillion banking industry and its 2 million employees. ABA's extensive resources enhance the success of the nation's banks and strengthen America's economy and communities. Learn more at www.aba.com.

² ABASA is a separately chartered affiliate of the ABA that represents those holding company members of the ABA that are actively engaged in capital markets, investment banking, and broker-dealer activities.

³ The Investment Company Institute is the national association of U.S. investment companies, including mutual funds, closed-end funds, exchange-traded funds (ETFs), and unit investment trusts (UITs). ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. Members of ICI manage total assets of \$13.41 trillion and serve over 90 million shareholders.

⁴ The Financial Services Roundtable (the "Roundtable") represents 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer. Member companies participate through the Chief Executive Officer and other senior executives nominated by the CEO. Roundtable member companies provide fuel for America's economic engine, accounting directly for \$92.7 trillion in managed assets, \$1.1 trillion in revenue, and 2.3 million jobs.

an extension of the comment period for the proposed rulemaking by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (together, the Prudential Regulators) on the capital and margin requirements for covered swap entities. We are requesting that the Prudential Regulators extend the time period for comments on these complex and interrelated rules so that the comment period coincides with the anticipated Securities and Exchange Commission (SEC) rules on capital and margin.

We appreciate that the staff in each of the Prudential Regulators has had to do complex analysis in order to draft a proposal that would apply to derivative instruments that now will be subject to an entirely new regulatory framework. We appreciate that it has also involved a significant effort to coordinate among the Prudential Regulators as well as consult with the Commodity Futures Trading Commission (CFTC) and the Securities and Exchange Commission (SEC) as required by Sections 731 and 764 of the Dodd-Frank Act.

To date, both the Prudential Regulators and the CFTC have proposed rules that would establish minimum capital and margin requirements applicable to non-cleared swaps and security-based swaps (together, swaps). The deadline for comments on the Prudential Regulator proposal is June 24, and the deadline for the CFTC proposals is July 11. However, the SEC has not yet issued its proposed margin and capital rules.

Dodd-Frank Act Sections 731 and 764 require the Prudential Regulators, the CFTC, and the SEC to establish and maintain comparable requirements for capital as well as initial and variation margin for swaps to the maximum extent practicable. The statute also stipulates that all of the regulators consult at least annually on these requirements.

These provisions clearly manifest Congressional intent that the regulators work in concert to establish capital and margin requirements. Yet the public is being asked to comment on the proposed Prudential Regulator and CFTC rules without the benefit of a key component: the SEC's proposed capital and margin rules. Given the language in the statutory mandate for promulgating these rules, we believe that extension of the comment period so that it coincides with the comment period on the anticipated SEC rule proposal is not only appropriate but also essential.

In a speech to the International Monetary Conference on June 6th, Treasury Secretary Geithner called for a more coordinated and integrated approach to rulemaking by U.S. agencies responsible for financial regulation and emphasized the critical need for U.S. regulators to adopt rules that are as consistent as possible. He also cited the need to develop a global margin standard that would set minimum requirements applicable to uncleared derivatives trades. Closer coordination and consistent standards among the U.S. financial regulators on margin requirements would be key to any process for developing an international agreement on a global margin standard. Consistent with these principles, we ask that the public have the opportunity to review all of the capital and margin standards for uncleared swaps required by the Dodd-Frank Act before being required to submit comments on the Prudential Regulator proposal.

Thank you for your consideration of our request for an extension of the comment period. Without an extension, we will not be able to evaluate the margin and capital proposal thoroughly in the coordinated interagency context contemplated by the Dodd-Frank Act.

Sincerely,

American Bankers Association
ABA Securities Association
Financial Services Roundtable
Investment Company Institute

cc: Alfred M. Pollard
General Counsel
Federal Housing Finance Agency

Gary K. Van Meter
Acting Director
Office of Regulatory Policy
Farm Credit Administration