



April 25, 2013

Office of the Comptroller of the Currency
250 E Street SW, Mail Stop 2-3
Washington, DC 20219
DOCKET ID OCC-2012-007; RIN 1557-AD59

Re: Lending Limits – Request for Extension of Compliance Date

Ladies and Gentlemen:

The American Bankers Association (the “**ABA**”)¹, The Clearing House Association, L.L.C. (“**The Clearing House**”)² and the Financial Services Roundtable (“**The Roundtable**”)³ and, together with the ABA and The Clearing House, the “**Associations**”), respectfully request an extension of the current compliance date of the interim final rule (“**Rule**”)⁴ issued by the Office of the Comptroller of the Currency (“**OCC**”) pursuant to Section 610 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“**Dodd-Frank**”),⁵ which requires the OCC to amend its

¹ The American Bankers Association represents banks of all sizes and charters and is the voice for the nation’s \$14 trillion banking industry and its 2 million employees.

² Established in 1853, The Clearing House is the oldest banking association and payments company in the U.S. It is owned by the world’s largest commercial banks, which collectively employ over 2 million people and hold more than half of all U.S. deposits. The Clearing House Association L.L.C. is a nonpartisan advocacy organization representing—through regulatory comment letters, amicus briefs and white papers—the interests of its owner banks on a variety of systemically important banking issues. Its affiliate, The Clearing House Payments Company L.L.C., provides payment, clearing, and settlement services to its member banks and other financial institutions, clearing almost \$2 trillion daily and representing nearly half of the automated-clearing-house, funds-transfer, and check-image payments made in the U.S. See The Clearing House’s web page at www.theclearinghouse.org.

³ The Financial Services Roundtable represents 100 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 \$98.4 trillion in managed assets, \$1.1 trillion in revenue, and 2.4 million jobs.

⁴ 77 Fed Reg. 37265 (June 21, 2012).

⁵ Pub. L. 111-201 (2010).

lending limit rules to include credit exposures arising from derivative and securities financing transactions.

We appreciate that the OCC continues to diligently and carefully review the comments received, and we acknowledge that the OCC previously extended the compliance date of the Rule based on the practical issues related to timing of the issuance of the final rule and the time required by banks to fully implement the final rule. Indeed, national banks and savings associations (together, “banks”) are diligently working on developing processes and systems to meet the current compliance date of July 1, 2013. However, those banks are unable to complete their work until the OCC issues a final rule that we expect will address some very fundamental questions. These questions include:

- Whether the Current Exposure Method (“CEM”) will be a permitted measurement method;
- Whether the Remaining Maturity Method (“RMM”) will continue to be a permitted method; and
- How and when internal models will be approved for use.

The Associations are concerned that with such fundamental questions not yet answered, banks will continue to lack a clear picture of what methods will be available for use and what compliance systems, programs and policies will need to be developed or modified to comply with the Rule.

This is of particular concern with respect to the OCC’s process for approving the use of internal models. While we understand that the OCC may have begun the process of reviewing internal models at some banks for the use in calculating lending limits, to our knowledge no bank has yet received approval to use its models, nor has any bank received any recommendations on what the OCC will require the bank to change or enhance in order for such models to be used. As you are aware, banks seeking to use models to comply with the lending limits rule will need to receive such approval well in advance of the compliance date to ensure that their systems and models are appropriately modified to comply with the Rule. We believe, even if the approvals were issued by the OCC immediately, banks will not have sufficient time to address, test or implement any requested changes to models, or complete the necessary work to comply with the Rule before July 1, 2013.

Therefore, for the reasons outlined above, the Associations **respectfully request that the OCC extend the compliance date of the Rule until the first day of the quarter that begins after the third month following the date the final rule is published.** This approach to setting the compliance date is appropriately tied to the Call Report and is consistent with the approach already taken by the OCC (*i.e.*, the compliance date for the Rule was initially set for January 1, and subsequently extended to April 1 and then July 1).

We continue to believe that extending the compliance date should have little effect on the achievement of the regulatory objectives of Section 610 of Dodd-Frank because the OCC has

full authority to address, on a case-by-case basis and through its existing safety and soundness authority, credit exposures that present undue concentrations.

If you have any questions or need further information, please contact (i) at The Clearing House, John Court (e-mail: John.Court@theclearinghouse.org, telephone number: (202) 649-4628); (ii) at ABA, Beth Knickerbocker (e-mail: bknicker@aba.com, telephone: number: (202) 663-5042); and (iii) at The Roundtable, Richard Whiting (e-mail: rich@fsround.org, telephone number: (202) 589-2413).

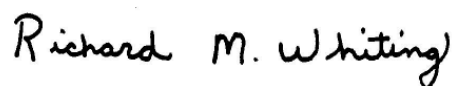
Respectfully submitted,



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