



January 25, 2012

Ms. Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551

Re: Request for Extension of Comment Deadline with respect to Proposed Rules Implementing Sections 165 and 166 of Dodd-Frank (Docket No. 1438; RIN 7100-AD-86)

Ladies and Gentlemen:

The undersigned trade associations<sup>1</sup> collectively represent banks, securities firms, investment companies, asset managers and other financial institutions accounting for a substantial majority of banking and financial assets in the United States. We respectfully request that the Board of Governors of the Federal Reserve System (the “**Board**”) extend the deadline for comments on its notice of proposed rulemaking (the “**Proposed Rules**”) implementing the enhanced prudential standards and early remediation requirements mandated by Sections 165 and 166 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“**Dodd-Frank**”) to May 31, 2012.

Our members strongly support the creation of an integrated set of requirements that would both (i) reduce the potential of failure of systemically important companies and minimize damage to the financial system and the broader economy in the event of such a failure and (ii) avoid unduly inhibiting the ability of our banking system to support economic growth and job creation. To that end, our members are actively engaged in a careful review and analysis of the Proposed Rules and are working together diligently to prepare a thorough and considered comment letter that we hope will be constructive for the Board’s rule-making process. In light of the scope and complexity of the Proposed Rules, however, we are concerned that the existing deadline for comments does not provide sufficient time to perform the level of analyses that this crucial proposal merits, or to achieve an adequate understanding of the implications and potential consequences of the Proposed Rules.

We are appreciative of the thorough and thoughtful analysis that the Board has conducted in developing the Proposed Rules and its commitment to seek meaningful input. That

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<sup>1</sup> Information about the signatories is set forth in the Annex to this letter.

process, however, has necessarily resulted in Proposed Rules of extraordinary complexity, with 173 pages of text and 95 questions.

The Proposed Rules touch upon virtually every major area of prudential regulation, including risk-based capital and leverage requirements, liquidity standards, risk management, single-counterparty credit limits and stress-test requirements. They also propose a totally new early remediation regime and impact in fundamental ways the interplay between the duties and responsibilities of Boards of Directors and management. These represent a wide, diverse array of regulatory areas, each of which is highly complex; in some cases, regulatory requirements are being proposed for the first time. In order to create an effective and cohesive framework for enhanced prudential supervision consistent with Dodd-Frank, and to minimize unintended consequences, it is essential that the various elements of the Proposed Rules be analyzed holistically as well as individually. In addition, the coordinated interplay among the Proposed Rules, as well as the interaction of the Proposed Rules with other recently adopted or expected to be adopted financial reform regulations, notably the Basel III proposals, will be crucial. Finally, we anticipate that the evaluation of certain areas of the Proposed Rules (for example, the proposed methodologies for valuing credit exposure from derivatives transactions for purposes of the single-counterparty credit limits, which may also have implications for other regulatory requirements) will constitute a very significant analytical exercise. This entire process will require an extensive commitment of time and personnel at a time when our members are also actively engaged with evaluating a number of other proposed rulemakings (Volcker Rule, credit ratings alternatives, living wills, etc.).

As a result of the tremendous breadth, complexity, potential interrelationships and importance of the Proposed Rules, we respectfully request that the Board extend the deadline for comments on the Proposed Rules for 60 days to May 31, 2012. Our objective is not delay, but the development of a regulatory regime that, because of the time allotted to its rule-making process, best accomplishes the Proposed Rules' multiple objectives.

If you have any questions, please contact Eli Peterson, Senior Regulatory Counsel & Associate General Counsel, The Clearing House Association LLC, at 202.649.4602 or by email at [Eli.Peterson@TheClearingHouse.org](mailto:Eli.Peterson@TheClearingHouse.org).

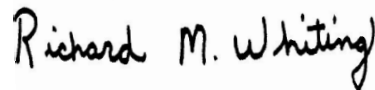
Very truly yours,



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## **Annex**

### *The Clearing House Association*

Established in 1853, The Clearing House is the oldest banking association and payments company in the United States. 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](http://www.theclearinghouse.org).

### *American Bankers Association*

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 two million employees. The majority of ABA's members are banks with less than \$165 million in assets. Learn more at [www.aba.com](http://www.aba.com).

### *The Financial Services Roundtable*

The Financial Services 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, \$1.2 trillion in revenue, and 2.3 million jobs.

### *Institute of International Bankers*

The Institute of International Bankers (IIB) is the only national association devoted exclusively to representing and advancing the interests of the international banking community in the United States. Its membership is comprised of internationally headquartered banking and financial institutions from 38 countries around the world. The IIB's mission is to help resolve the many special legislative, regulatory, tax and compliance issues confronting internationally headquartered institutions that engage in banking, securities and other financial activities in the United States. Through its advocacy efforts the IIB seeks results that are consistent with the U.S. policy of national treatment and appropriately limit the extraterritorial application of U.S. laws to the global operations of its member institutions.

### *Securities Industry and Financial Markets Association*

SIFMA brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association. For more information, visit [www.sifma.org](http://www.sifma.org).