



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ALAN GREENSPAN
CHAIRMAN

March 22, 2005

The Honorable Elizabeth Dole
United States Senate
Washington, D.C. 20510

Dear Senator:

Thank you for your recent letter recommending that the Board exercise its statutory authority under the special anti-tying provisions applicable to banks in section 106 of the Bank Holding Company Act Amendments of 1970 to create an exception for transactions between banks and large, sophisticated customers, such as syndicated loan borrowers.

As you know, the Board has requested comment on a proposal that provides legal and supervisory guidance relating to the anti-tying restrictions in section 106. Several other commenters also have suggested that the Board grant an exception for large transactions or sophisticated customers. Your letter has been made a part of the record of the proposal and will be carefully considered by the Board as it evaluates the proposal as well as the appropriateness of providing additional exceptions to the anti-tying restrictions of section 106.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Greenspan", written over the word "Sincerely,".