

July 5, 2022

Moshe Rothman, Director
Division of Trading and Markets
U. S. Securities Exchange and Commission
100 F Street, NE
Washington, DC 20549

Re: SEC Rule 17Ad-16, Notice of assumption or termination of transfer agent services.

Dear Mr. Rothman,

On behalf of the American Bankers Association (ABA)¹ Corporate Trust Committee, we thank you for meeting with us on June 13, 2022, to discuss Rule 17Ad-16 and the Securities and Exchange Commission (SEC or Commission) expectations for Notice of Assumption (Notice) responsibilities of indenture trustees.² As the Committee noted then and in a previous meeting on June 1, 2018, indenture trustees seek a reasonable interpretation of the Rule to alleviate unnecessary operational burden of duplicative Notices. Specifically, ABA urges the SEC to clarify that Rule 17Ad-16 only requires a Notice with the Depository Trust and Clearing Corporation (DTCC) when (1) the filing transfer agent ceases to perform transfer agent services to an issuer, (2) the filing transfer agent is the successor to a previous transfer agent, or (3) there is a change of a transfer agent's name or address.

From 1994 when the Rule was promulgated until around 2015, indenture trustees complied with their obligations by providing Notices when ceasing to perform services, assuming services as a successor transfer agent, or when there was a change in name or address.³ Since that time, however, transfer agents have had to provide Notices to DTCC for every *new* engagement, even though underwriters, financial advisors, or clearing participants already identify the transfer agents for DTCC-eligible securities in "The Depository Trust Company (DTC) Eligibility Questionnaire."

In accordance with Rule 17Ad-16, DTCC posts received Notices to its Legal Entity Notice System.⁴ ABA understands that DTCC does not need the information contained in a Notice for new DTCC-eligible issues, because its system is already populated with the relevant information through the underwriting process mentioned above. In other words, bondholders, the SEC, and other interested parties with access to DTCC recordkeeping would have complete information about newly appointed,

¹ The American Bankers Association is the voice of the nation's \$24 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2 million people, safeguard \$19.9 trillion in deposits and extend \$11.4 trillion in loans.

² The ABA Corporate Trust Committee comprises bank indenture trustees providing more than 90 percent of the corporate trust services in the U.S., as well as transfer agent and paying agent services for issuers of corporate and municipal debt.

³ The 1994 Federal Register notice states the purpose of the rule is to "to address a current and continuing problem of transfer delays due to unannounced transfer agent changes, including the change of a transfer agent for a particular issue and the change of the name or address of a transfer agent." 59 FR 63656.

⁴ For further discussion of the DTCC LENS service, *see* Securities Exchange Act Release No. 88467 (March 25, 2020), 85 FR 178921 (March 31, 2020) (SR-DTC-2020-006)

terminating, and successor transfer agents, even if a Notice were not required for new issuances. We therefore believe that the SEC can reasonably interpret the Rule to only require Notices as urged above.

If you have any question concerning this letter or would like additional information on the issues discussed, please do not hesitate to contact me at phoebep@aba.com.

Sincerely,

Phoebe A. Papageorgiou

Phoebe Papageorgiou
Vice President, Trust Policy
Wealth Management & Trust Group
American Bankers Association

cc: W. Carson McLean, DTCC
Ann Marie Bria, DTCC
Christopher Scotto, DTCC