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October 30, 2008

Office of the Comptroller of the Currency  
250 E Street, SW, Mail Stop 1-5  
Washington, DC 20219

Docket ID OCC-2008-0014

RE: *Capital Adequacy Guidelines; Deduction of Goodwill Net of Associated Deferred Tax Liability*

Dear Sir/Madam:

The American Bankers Association (ABA) appreciates the opportunity to provide comments on the above-captioned proposal (the Proposal) issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Office of Thrift Supervision (the Agencies) on September 3, 2008. The ABA commends the Agencies for their work on the issues contained in the Proposal and the timely release of the Proposal. We particularly appreciate the Agencies' action, in light of our correspondence on this issue and our request for appropriate agency guidance.

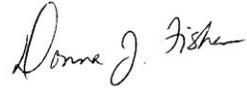
As we noted in our letter to the Agencies requesting this treatment, this issue is one that affects banks of all sizes, as long as such bank is (or has been) a party to an acquisition where tax deductible goodwill is generated as a result. The ABA supports the Proposal and is pleased that it provides clear guidance. We urge the Agencies to issue the Proposal expeditiously in final form.

There is a relatively minor issue that we would like to raise. In the example provided in the Proposal, a tax rate of 30% is used rather than the marginal federal tax rate of 35%. We presume that the rate was for illustrative purposes and was not meant to imply that a 30% tax rate should be used.

On behalf of ABA members, I appreciate your work on this project. As you know, the ABA's efforts to reach this conclusion began with our letter to the Agencies in November 2001. We raised it again in February 2004, and again in February 2008. Thus, this is not simply a reaction to the current crisis but a need that has been recognized over many years. We thank you for completing this work and bringing it to its logical conclusion.

We welcome the opportunity to answer any questions or provide information. To discuss this further, please contact ABA's Tax Counsel, Fran Mordi, at 202-663-5317 or [fmordi@aba.com](mailto:fmordi@aba.com).

Sincerely,

A handwritten signature in cursive script that reads "Donna J. Fisher".

Donna Fisher