American Bankers Association

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SUBMITTED ELECTRONICALLY
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Commodity Futures Trading Commission
Three Lafayette Centre
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Washington, DC 20581

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
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RE: End-User Exception to Mandatory Clearing of Swaps and Security-Based Swaps; CFTC RIN number 3038-AD10; SEC Release No. 34-63556; File No. S7-43-10; 75 Federal Register 79992, December 21, 2010 and 75 Federal Register 80747, December 23, 2010

Dear Mr. Stawick and Ms. Murphy:

The American Bankers Association (ABA)[1] appreciates the opportunity to provide additional comments on the rules proposed by the Commodity Futures Trading Commission (CFTC) and the Securities and Exchange Commission (SEC) (together, the Commissions) governing the exception to the mandatory clearing of swaps and securities-based swaps (collectively, swaps). We filed a comment letter with both Commissions on February 22, 2011, detailing our views on the proposed end-user exception. This letter is intended to supplement our previous comments and respond to questions raised during follow-up conversations on this topic.

Specifically, we have been asked for information about how end-user banks would be affected if one of their swap counterparties ceased conducting business. In other words, what happens to a bank using uncleared swaps to hedge or mitigate risk if the government allows a "too-big-to-fail" or other major swap counterparty to fail?

We believe that existing bank risk management practices and the legal lending limits under the banking laws address this risk. Therefore, the risk of counterparty failure should not preclude banks using swaps solely to hedge or mitigate commercial risk from having the same exception to the clearing requirements available to other end users. Furthermore, end-user bank swaps are a truly *de minimis* part of the swaps market, so imposing clearing requirements on them would be a costly burden that would clearly outweigh any potential regulatory benefit.

[1] 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 2 million employees. Learn more at www.aba.com.

Overview

Swap counterparties "using swaps to hedge or mitigate commercial risk" are end users and have an exception from the Dodd-Frank Act clearing requirements.[2] The only entities using swaps to hedge or mitigate commercial risk that are not automatically treated the same as other end users are banks and other financial entities. This is incongruous considering that banks and other financial entities are not only highly regulated but also are likely to have a better understanding of the benefits and risks of using swaps than are non-financial entities.

The Dodd-Frank Act does require the Commissions to consider whether to treat some banks and savings associations (together, banks) the same as other end users.[3] This statutory provision shows that Congress recognized that many banks use swaps the same way that other end users do.[4] Hundreds of our members use swaps to hedge or mitigate interest rate, currency, and credit risks that arise from their loan, securities, and deposit portfolios. As discussed in more detail below, banks also use swaps to meet regulatory expectations for asset-liability management.

Clearing requirements would only add costs and inefficiencies leading to reduced availability of financial services for lending and job growth. The result would be reduced lending and provision of other financial services, which would adversely affect businesses, small and large, at precisely the time when we need them to increase their activity in economic growth and job creation.

Banks using swaps in a limited way to hedge or mitigate risk do not pose a systemic risk and should be allowed to have the same exemption from clearing requirements as other end users. The vast majority of banks using swaps do so in order that they can lend to customers at fixed interest and exchange rates or provide long-term financing. These activities are fundamental to the management of day-to-day bank operations and are important for U.S. economic stability.

Congress even provided an exemption from the Dodd-Frank Act "pushout" provision for swaps that banks are using to hedge or mitigate risk. Pursuant to Section 716 of the Dodd-Frank Act, no swap dealers or major swap participants conducting swaps on bank ineligible securities and commodities will be able to receive federal assistance, including FDIC insurance, once the pushout requirement becomes effective. As a result, banks that are swap dealers or major swap participants conducting swaps on bank ineligible securities and commodities will have to "push" some of their swaps activities out of the bank unless they are using those swaps to hedge or mitigate risk. This is evidence that Congress recognized the important role that swaps play in bank risk management.

In considering a potential bank end-user clearing exemption, CFTC Chairman Gensler has expressed interest in a risk-based measure that might reflect a bank's exposure to certain counterparties. We would like to emphasize that all banks are required to have internal risk

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[2] Commodity Exchange Act (CEA) Section 2(h)(7) and Securities Exchange Act of 1934 (Exchange Act) Section 3C(g).
[3] CEA Section 2(h)(7)(C)(ii) and Exchange Act Section 3C(g)(3)(B).
[4] See 156 Cong. Rec. H5246 (June 30, 2010) (colloquy between Representatives Holden and Peterson) (stating that the statute places a special emphasis on institutions with $10 billion or less in assets, but did not limit the exemptive authority to institutions of that size).

management practices and are subject to regular supervision of those practices by bank regulators. Furthermore, the legal lending limits under the banking laws already prohibit a bank from extending credit to another person in excess of a specified percentage of capital and reserves,[5] so there will be appropriate risk-based measurement and control procedures in place for managing counterparty exposures once the banking regulators define implementing rules under Dodd-Frank.[6] Finally, the costs of requiring bank end-users to clear swaps or calculate another risk-based measurement would outweigh any potential regulatory benefit since their swaps activities comprise an extremely small percentage of the swaps market.

I. Bank Risk Management

ABA believes that the Commissions should exercise their authority to exempt certain financial entities from mandatory swaps clearing if they are solely using swaps to hedge or mitigate risk. Many banks use swaps the same way that other end users do. Just as an airline might use a swap to hedge the price of jet-fuel costs so that it can engage in long-range business planning and offer customers plane tickets at a fixed cost months in advance of their flights, banks use swaps to hedge their risks or enable customers to hedge their risk. Interest rate, currency, and other credit-related risks are banks' commercial risks and banks with swaps activities limited to hedging those risks should be treated the same as other commercial end users.

Not only are swaps a useful tool for prudent business management, but banks and their swaps activities are also already subject to comprehensive regulation and examination by banking regulators. Applicable banking regulations and guidance require banks to establish internal risk management policies and procedures for all operations and activities, including swaps transactions. For example, the Office of the Comptroller has extensive supervisory guidance on derivatives risk management, which explicitly describes how banks engage in derivatives transactions as end users.[7] Banking regulators continue to recognize that derivatives might be appropriate risk management tools for banks with derivatives knowledge and expertise.[8]

While each bank's use of swaps and derivatives may vary according to its business plans and risk tolerance, banks have broad oversight of their business, reputational, infrastructure, and operational risks. The banking regulators recently issued interagency guidance that explains and clarifies supervisory expectations for risk management of counterparty credit risk (CCR).[9] The guidance details a wide range of responsibilities, including governance, risk measurement, and risk control functions. Bank boards and senior management are directed to articulate the bank's risk tolerance

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[5] See 12 U.S.C. § 84(a) (establishing legal lending limit for national banks). State chartered banks are also subject to legal lending limits.
[6] See infra notes 17, 19, 20, and accompanying text.
[7] Risk Management of Financial Derivatives (Comptroller's Handbook, January 1997).
[8] See, e.g., Advisory on Interest Rate Risk Management issued by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the Federal Financial Institutions Examination Council State Liaison Committee (Jan. 6, 2010).
[9] Interagency Supervisory Guidance on Counterparty Credit Risk Management by the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Office of Thrift Supervision (June 29, 2011).

for CCR in policies that set limits on counterparty and concentration exposures.[10] The guidance also instructs bank senior management to review CCR reports that generally include total counterparty credit risk and counterparties with the largest credit exposures at least monthly.[11] Internal audits must also regularly review adequacy of CCR management.[12]

In addition to these far-reaching governance requirements, the guidance also provides more detailed instructions about measuring and monitoring CCR. Among other things, it directs banks to use a range of metrics to measure CCR, to calculate exposure daily, and to have a single report and/or system that shows the exposures to a given counterparty.[13] Banks need to monitor counterparties with large exposures on both a legal entity and enterprise-wide basis and have the operational capacity to aggregate exposures rapidly and accurately.[14]

This interagency guidance together with the other bank regulations and guidance that are explained and clarified in the guidance set high standards for counterparty risk management. Banking regulators regularly examine all banks for compliance with these standards. Banks do not need to be subject to an additional layer of regulation to manage CCR if they do not present systemic risk in the swaps market.

The Dodd-Frank Act mandates central clearing of swaps transactions in attempt to limit systemic risk from swaps transactions. If a bank were using swaps to hedge or mitigate risk but had a substantial position or substantial counterparty exposure that might pose systemic risk, then it would need to register with either or both of the Commissions as a major swap participant or major security-based swap participant (collectively, MSPs). The vast majority of banks using swaps will not be MSPs or even approach the proposed threshold for MSP registration. For example, the gross notional value for eighty-eight percent of the banks using interest rate swaps is less than $3 billion.[15] This is the gross notional amount, so it does not even take into account the downward adjustments for collateral and netting in the proposed MSP definition.

Similarly, if a bank were engaging in more than a *de minimis* amount of swap dealing transactions, then it would need to register with either or both of the Commissions as a swap dealer or security-based swap dealer (collectively, swap dealers) unless the bank were just using swaps in connection with originating customer loans.

The Dodd-Frank Act distinguishes MSPs and swap dealers from other market participants because they transact in swaps in such significant volume or use swaps for more than hedging or mitigating risk. Banks that will be MSPs and swap dealers are by far the most active market participants, and they will be subject to additional regulatory requirements, including mandated central clearing of their swaps transactions.

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[10] Id. at 4.
[11] Id. at 5.
[12] Id.
[13] Id. at 5-6.
[14] Id. at 7, 17.
[15] See Federal Financial Institutions Examination Council, Consolidated Reports of Condition and Income (Call Report), June 2011.

On the other hand, exempting banks with limited swaps activities from the clearing requirements would not undercut the statutory mandate for central clearing. As noted above with regard to the "pushout" provision in the Dodd-Frank Act, Congress recognized that swaps are an important tool for bank risk management. In fact, imposing clearing requirements on banks with limited swaps activities would likely increase rather than decrease risk, because swaps would be prohibitively expensive relative to their transaction volume and could no longer be customized to most appropriately hedge bank or customer risk. Faced with those obstacles, most if not all banks with limited swaps activities would likely stop using them and would lose an important method for hedging and mitigating risk.

II. Legal Lending Limits

Even if some aspects of risk tolerance may vary depending on a bank's management or business model, banks are also subject to legal lending limits that explicitly cap the exposure that a bank may have to any individual or entity. Banks are prohibited from extending credit to an individual or entity in excess of a specified percentage of capital and reserves. For national banks, the lending limit is fifteen percent of capital and reserves for unsecured credit or twenty-five percent for secured credit.[16] Following the enactment of the Dodd-Frank Act, banks entering into swaps will be required to include them in measuring credit exposure for purposes of the legal lending limits.[17] So all bank swaps – cleared and uncleared – will be subject to any applicable limit on counterparty exposure.

The legal lending limits establish the maximum ratio of credit as a percentage of a bank's capital and reserves for every customer relationship. The laws do not distinguish between financial and non-financial customers, nor do they establish any type of asset or size threshold. Rather, they apply broadly to credit extended to any customer.[18]

The Dodd-Frank Act amends the existing federal legal lending limit to include swap transactions in the measurement of credit exposure to another person.[19] Similarly, the new law includes a provision that would permit a state bank to engage in swap transactions only if the legal lending limit in the state where the bank is chartered takes swaps exposure into consideration.[20]

As a result, the Dodd-Frank Act already includes a risk-based measurement that will apply to swap counterparty exposure. The amended legal lending limits will not set different capital ratios for loans, swaps, and other types of credit between a bank and its customer. All will be aggregated and subject to the same limit.

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[16] 12 U.S.C. § 84(a). State chartered banks are also subject to legal lending limits. See, e.g., Arkansas Code Annotated Section 23-47-501; California Financial Code Section 1221; Official Code of Georgia Annotated Section 7-1-285; Illinois Banking Act Section 32; Kansas Statutes Annotated, Chapter 9, Article 11, Statute 9-1104; Missouri Revised Statutes Title XXIV, Chapter 362, Section 362.170; New York Banking Law Article 3, Section 103; and Oklahoma Banking Code, Article 8, Section 802.
[17] Sections 610 and 611 of the Dodd-Frank Act.
[18] 12 U.S.C. § 84(b).
[19] Section 610 of the Dodd-Frank Act.
[20] Section 611 of the Dodd-Frank Act.

Swaps are only one part of the overall credit relationship between a bank and its customer. Banks underwrite loans, swaps, and other extensions of credit to a particular customer using the credit risk assessment standards that apply to the overall credit relationship with that customer, and the swap exposure is almost always much smaller than the loan exposure. And all transactions with that customer or counterparty will be subject to the legal lending limit.

Furthermore, any concerns about potential exposure to a "too-big-to-fail" counterparty should take into account the pivotal role that clearinghouses will play with regard to cleared swaps transactions. Shifting counterparty risk from a "too-big-to-fail" bank to a clearinghouse is not a panacea, since any clearinghouse could also present default risk. As the banking regulators noted in recent supervisory guidance, clearinghouses can be a way to reduce bilateral counterparty exposure, but they also concentrate risk within a single entity.[21] A clearinghouse with a significant volume of swaps transactions could itself become a "too-big-to-fail" entity, a prospect contemplated by Congress in granting the Financial Stability Oversight Council the authority to designate a clearinghouse as a systemically important financial market utility.[22]

The legal lending limits will include both cleared and uncleared swap counterparty exposure and will prohibit banks from extending credit to any person in excess of a specified percentage of capital and reserves. This limit applies regardless of whether the counterparty is a financial entity, an individual, or a non-financial entity. Banks are already preparing to measure exposure for lending limit purposes, so this measure is not only administrable but also would not add additional operational burdens while banks are struggling to keep apace with rapid regulatory developments. Legal lending limits are the appropriate risk-based measurement in support of a bank end-user clearing exemption.

III. Cost-Benefit Analysis

Unless the Commissions exercise their exemptive authority, all banks will have to comply with the new clearing requirements even if they use swaps only to hedge or mitigate commercial risk. Both Commissions have an affirmative obligation to consider the costs and benefits of each rule. Section 15(a) of the CEA requires the CFTC to consider the costs and benefits before promulgating a regulation.[23] Similarly, Sections 3(f) and 23(a)(2) of the Exchange Act require the SEC to consider whether a rule will promote efficiency, competition, and capital formation.

We believe that an appropriate cost-benefit analysis would support a clearing exemption for banks that use swaps to hedge or mitigate risk and whose swaps transactions are subject to legal lending limits. Failing to exempt banks with limited swaps activities from the clearing requirements would increase costs, eliminate the ability to customize swaps to individual business needs, and discourage banks from using swaps to hedge or mitigate risk.

[21] Interagency Supervisory Guidance on Counterparty Credit Risk Management, p. 17.
[22] Sections 112(a)(2)(J),803(6), and 804(a) of the Dodd-Frank Act.
[23] CEA Section 15(a) requires the CFTC to consider the following: (A) considerations of the protection of market participants and the public; (B) considerations of the efficiency, competitiveness, and financial integrity of futures markets; (C) considerations of price discovery; (D) considerations of sound risk management practices; and (E) other public interest considerations.

We recognize that establishing the new framework for swaps regulation is unprecedented and makes estimating the costs and benefits extraordinarily difficult. However, the burden is on the government to provide a realistic cost-benefit analysis.[24]

The cost-benefit analysis in each of the CFTC and SEC end-user clearing exception rule proposals focuses primarily on the costs associated with the requirement to notify the Commissions if a counterparty is relying on the end-user exception to clearing.[25] Although neither of the Commissions quantified the implementation costs of central clearing for end-user banks, the SEC noted that some banks "may face difficulties meeting the clearing requirements because of their limited operations or infrequent use of security-based swaps."[26] We concur. While the notification requirement may be the only additional cost that other end users will face, the same is not true for end-user banks. Even though they are also using swaps to hedge or mitigate risks, end-user banks will face all of the costs, complexities, and operational burdens of clearing unless the Commissions exercise their exemptive authority.

Banks with limited swaps activities generally transact in smaller notional amounts and need to customize swaps to loans they originate and to effectively hedge or mitigate their own risk to meet regulatory expectations for asset-liability management. The time and expense involved in establishing a clearing relationship with a dealer for this low volume would be prohibitive. They would not only have to pay startup costs but would also have to pay minimum annual fees and maintenance charges. In addition, they would have to dedicate personnel as well as technology and other resources to manage the operational burden of establishing and maintaining the clearing relationship. If these banks could no longer afford to engage in swaps transactions, then not only would costs and risks increase for customers but the banks' ability to manage their own financial risk would be diminished.

The Commissions are not only required to consider an exemption from the clearing requirements for certain financial entities but also have the flexibility to consider exempting institutions using a measure other than total assets. The statutory mandate is for the Commissions to consider an exemption for small banks, including (but not limited in the statute to) "depository institutions with total assets of $10 billion or less." In other words, the Dodd-Frank Act placed a "special emphasis" on institutions $10 billion or less in assets but did not limit the exemptive authority to only those institutions.[27] Both Commissions recognized that the statute allows them latitude to establish an appropriate measure for a clearing exemption and have asked for comment on that subject.[28]

Exempting banks with limited swaps activities would not undercut the statutory mandate for centralized clearing because their swap activity is not significant relative to the overall market. For

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[24] Business Roundtable and Chamber of Commerce v. S.E.C., No. 10-1305, p. 7 (D.C. Circuit) (July 22, 2011) (vacating proposed SEC rule finding that the SEC acted "arbitrarily and capriciously" in not performing an adequate cost-benefit analysis).
[25] End-User Exception to Mandatory Clearing of Swaps, 75 Fed. Reg. 80747, 80755 (December 23, 2010) and End-User Exception to Mandatory Clearing of Security-Based Swaps, 75 Fed. Reg. 79992, 80006-10 (December 21, 2010).
[26] End-User Exception to Mandatory Clearing of Security-Based Swaps, 75 Fed. Reg. at 80001.
[27] See 156 Cong. Rec. H5246 (June 30, 2010) (colloquy between Representatives Holden and Peterson).
[28] End-User Exception to Mandatory Clearing of Swaps, 75 Fed. Reg. at 80754 and End-User Exception to Mandatory Clearing of Security-Based Swaps, 75 Fed. Reg. at 80002.

example, even banks with $30 billion or less in assets account for only 0.09% of the notional value of the bank swaps market as of June 2011.[29] Not only is this an extremely small percentage of the bank swaps market, but the bank swaps market is only one segment of the global swaps market. Swaps activity of this magnitude simply does not pose any significant risk to the safety and soundness of swap entities nor to U.S. financial stability. Requiring these banks to clear swaps would impose unnecessary costs for little if any incremental regulatory benefit.

It is difficult to imagine how market participants and the public would benefit from imposing clearing requirements on a *de minimis* segment of the swaps market.[30] The CFTC has stated in internal guidance that it has the discretion to determine that a particular rule is "necessary or appropriate to protect the public interest or effectuate any of the provisions or accomplish any of the purposes of [the Dodd-Frank Act]." [31] As the SEC noted in its rule proposal, however, an exemption for a limited amount of swaps activities would not undercut the mandate for central clearing.[32]

Nor as discussed above would providing banks using swaps to hedge or mitigate risk an exemption interfere with sound risk management practices, since their swaps transactions will be subject to the legal lending limits. On the contrary, failing to grant the exemption would interfere with sound risk management practices and would significantly increase costs for banks and bank customers. By discouraging hedging and risk mitigating transactions, imposing clearing requirements on banks with limited swaps activities would have a negative effect on economic stability.

Banks with limited swaps activities will face disproportionate costs relative to the most active market participants, because all participants that need to clear swaps will incur certain costs related to establishing an ongoing relationship and connectivity with a clearing firm. In this instance, there is no policy rationale such as reduction of systemic risk that would be served by requiring banks with limited swaps activities to clear their swaps transactions. In terms of risk controls, banks are not only already subject to regulatory oversight but also will generally be better able to assess the complexities and risk exposure of their swaps activities. As a result, if the Commissions fail to exercise their authority to exempt end-user banks from mandatory clearing, they will likely be making it cost prohibitive for all too many banks to engage in transactions that promote economic stability even in the absence of any incremental regulatory benefit.

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[29] See Federal Financial Institutions Examination Council, Consolidated Reports of Condition and Income (Call Report), June 2011. Even banks with $80 billion or less in assets account for less than one percent (1 %) of the bank swaps market.

[30] If an end user determined that the benefits of clearing outweighed the costs and the swap could be cleared, the end user could elect to clear the swap pursuant to Sections 723(a)(7)(B) and 763(a)(g)(2) of the Dodd-Frank Act.

[31] Memorandum from Dan M. Berkovitz, General Counsel, and Jim Moser, acting Chief Economist, Guidance on and Template for Presenting Cost-Benefit Analyses for Commission Rulemakings (September 29, 2010).

[32] End-User Exception to Mandatory Clearing of Security-Based Swaps, 75 Fed. Reg. 80001.

IV. Extension of Temporary Exemptive Relief from Clearing Requirements

We also urge the Commissions to extend the temporary exemptive relief from clearing requirements[33] for a minimum of 180 days after making a final determination about the universe of banks that will be exempt from the clearing requirements. As the CFTC noted in its proposed regulations establishing a schedule for swap transaction compliance and implementation, the end-user clearing exception must be finalized before requiring compliance with clearing requirements because it establishes the process for an end user to notify the CFTC that it is electing not to clear.[34] We agree and similarly urge both Commissions to finalize the determination about whether end-user banks will be subject to clearing requirements and to provide a minimum 180-day transition period before requiring end-user banks to comply with any clearing requirements.

Banks with limited swaps activities – including but not limited to those with $10 billion or less in assets – need certainty as to whether or not they will be subject to clearing requirements before they can move forward to implement clearing or go through the process of notifying the Commissions that they will be electing not to clear swaps. If the clearing mandate were implemented prior to the Commissions issuing final rules on this issue, then end-user banks would need to establish clearing relationships and incur many of the costs described above while waiting to find out whether or not they will be subject to the mandatory clearing requirements. End-user banks could not recoup these significant sunk costs even if the Commissions later determined that they would not be required to clear their swaps.

Once this determination is made in a final rule, end-user banks that are not exempt from clearing requirements will also need a transition period to comply with any applicable clearing requirements. If the Commissions do not grant them an exemption, then the end-user banks will have to execute clearing agreements as well as implement, integrate, and test applications and systems to clear transactions. There would be a serious risk that swaps transactions for hedging would be unavailable and other customer services also would be disrupted if there were not an appropriate transition period to manage these logistics. Accordingly, we request that the Commissions extend temporary exemptive relief from clearing requirements until 180 days after making a determination as to whether end-user banks will be exempt from clearing requirements.[35]

Conclusion

ABA appreciates the opportunity to supplement its comments on the Commissions' proposals on the end-user exception to mandatory clearing of swaps and security-based swaps. As noted in our previous comment letter, ABA believes that treating end-user banks the same as other end users is

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[33] Effective Date for Swap Regulation, 76 Federal Register 42508 (July 19, 2011) and Order Granting Temporary Exemptions under the Securities Exchange Act of 1934 in Connection with the Pending Revision of the Definition of "Security" to Encompass Security-Based Swaps and Request for Comment, 76 Federal Register 39927 (July 7, 2011).
[34] Swap Transaction Compliance and Implementation Schedule: Clearing and Trade Execution Requirements under Section 2(h) of the CEA, 76 Federal Register 58186, 58188 (September 20, 2011).
[35] We note that the CFTC has proposed a compliance schedule that would give a 180-day transition period to Category 2 Entities, including banks that are not dealers or MSPs, in the proposed rule on Swap Transaction Compliance and Implementation Schedule: Clearing and Trade Execution Requirements under Section 2(h) of the CEA, 76 Federal Register at 58191. We support this proposed transition period and urge the SEC to also provide a 180 day transition period.

essential.[36] Unlike other end users that use swaps to hedge or mitigate risk, end-user banks are already and will continue to be subject to comprehensive regulatory oversight and are prohibited from extending credit to any person or entity in excess of a specified percentage of capital and reserves. Furthermore, their swaps transactions are a *de minimis* part of the swaps market, so failing to exempt them from mandatory the clearing requirement would subject them to significant costs that would outweigh any potential regulatory benefit.

We again urge the Commissions to exempt end-user banks from the new mandatory swaps clearing requirements. Thank you for your consideration of our comments.

Sincerely,

Diana L. Preston
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Center for Securities, Trust & Investments
American Bankers Association

cc: Honorable John G. Walsh
Acting Comptroller of the Currency
Office of the Comptroller of the Currency

Jennifer J. Johnson
Secretary
Federal Reserve Board

Robert E. Feldman
Secretary
Federal Deposit Insurance Corporation

[36] ABA Comment Letter on the End-User Exception to Mandatory Clearing of Swaps and Security-Based Swaps (CFTC RIN number 3038-AD10; SEC Release No. 34-63556; File No. S7-43-10) dated February 22, 2011, p. 2.