



1120 Connecticut Avenue, NW
Washington, DC 20036

1-800-BANKERS
www.aba.com

*World-Class Solutions,
Leadership & Advocacy
Since 1875*

Cristeena G. Naser
Senior Counsel
Regulatory and Trust
Affairs

Phone: 202-663-5332
Fax: 202-828-4548
Email: cnaser@aba.com

December 22, 2004

Jennifer J. Johnson, Secretary
Board of Governors of the Federal
Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Re: Proposal to Withdraw from Noncash Collection System
69 *Federal Register* 61496, October 19, 2004

Dear Ms. Johnson:

The American Bankers Association (“ABA”) is responding to the request of the Federal Reserve Board (“Board”) for comments on its proposal to discontinue providing noncash collection services involving collecting and processing definitive municipal bonds and coupons issued by state and local governments. ABA brings together all categories of banking institutions to best represent the interests of this rapidly changing industry. Its membership—which includes community, regional and money center banks and holding companies, as well as savings associations, trust companies and savings banks—makes ABA the largest banking trade association in the country.

The Board is proposing to discontinue this service at year-end 2005 due to the declining volume of municipal securities, the inability to recover costs in the future, and the availability of alternate service providers. In particular, the Board notes that the number of depository institutions that used the service in 2003 decreased by ten percent from 2002. At the same time, cost effective substitute services are available through the Depository Trust Company, correspondent banks or direct presentation to paying agents.

Given the facts set out by the Board, ABA has no objection to the proposal.

Sincerely,

A handwritten signature in cursive script that reads 'Cristeena G. Naser'.

Cristeena G. Naser