The Premier Association of Real Estate Finance

MBA Mortgage Bankers Association of America
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Please Note:

The attached MBA Comments on the Proposed Rule re: Privacy of Consumer Financial Information were submitted to your offices on Friday, March 31, 2000 via e-mail. The attached document is an identical version of the previously submitted comments, but contain the formal MBA letterhead and official authorizing signatures.

Thank-you for your attention.

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March 31, 2000

Communications Division
Office of the Comptroller of the Currency
250 E Street, S.W.
Washington, DC 20219
Attn: Docket No. 00-05

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th and C Streets, N.W.
Washington, DC 20551

Robert E. Feldman
Executive Secretary
Attn: Comments/OES
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

Manager, Dissemination Branch
Information Management and
Services Division
Office of Thrift Supervision
1700 G Street, N.W.
Washington, D.C. 20429
Attn: Docket No. 2000-13

Secretary
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Room H-159
Washington, D.C. 20580

Re: Gramm-Leach Bliley Act Proposed Privacy Rule (the "Rule" or "Proposed Rule") - Comments
12 C.F.R. Part 40
12 C.F.R. Part 216
12 C.F.R. Part 332
12 C.F.R. Part 573
16 C.F.R. Part 313

Ladies and Gentlemen:

Thank you for the opportunity to comment on the proposal, referenced above, to implement Title V of the Gramm-Leach-Bliley Act ("GLBA" or the "Act"). The Mortgage Bankers Association of America ("MBA") is a trade association representing approximately 3000 members involved in all aspects of real estate finance. Our members include national and regional lenders, mortgage brokers, mortgage conduits, and service providers. MBA encompasses residential mortgage lenders, both

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and multifamily, and commercial mortgage lenders.

The MBA's members receive a variety of types of information covered by the GLBA and therefore are vitally interested in the Proposed Rule. Complying with the Rule will result in significant administrative burdens and expenses for financial institutions. We therefore urge the agencies to issue a final Rule that effectuates the purposes of the GLBA without imposing undue burden or unnecessary restrictions. Our comments are set forth below.

Definition of Non-Public Personal Information

The GLBA provisions, along with the Proposed Rule, apply to the disclosure of "non-public personal information." In the Proposed Rule, the agencies have created the possibility of inconsistent requirements by proposing different approaches to the definition of "publicly available information."

The FTC and certain other agencies have proposed two alternatives for defining what is publicly available information. The first alternative – Alternative A – requires not only that such information be publicly available but also that it actually be obtained from public records. The second alternative – Alternative B – requires that publicly available information be information that is lawfully available to the public. MBA strongly urges the agencies to adopt a uniform definition of this term – specifically, the approach proposed by the FRB and SEC and designated as Alternative B in the FTC proposal.

Alternative B is the only sensible approach for a variety of reasons. First, in ordinary usage, the terms "public" and "non-public" refer to whether or not information is available. How information is obtained is an entirely separate matter. That a person does not obtain a particular item of information does not make it any more or any less available. Alternative A, however, falls short by combining what are logically distinct inquires into an unduly restrictive definition.

Second, the privacy provisions are based on the premise that consumers should have a reasonable expectation of privacy with respect to certain types of information. In cases where such information is available from public sources, that expectation is not reasonably present no matter how the user of the information obtains it. Consequently, it is inappropriate to unduly restrict the use of such information through the approach in Alternative A.

Finally, Alternative A is inefficient and will create unwarranted costs that ultimately will be passed on to consumers. To require an entity that is in possession of publicly available information to re-obtain that information from a third-party public source before using it imposes a inefficient, "make work" requirement with no basis in the policy underlying the privacy requirements.

Accordingly, MBA urges the agencies to adopt the language in Alternative B in defining "publicly-available information." Comment has been requested on whether an institution should be required to adopt "reasonable procedures" to ensure that such information is, in fact, publicly available. Such a requirement is not appropriate. As a practical matter, institutions routinely adopt compliance procedures without specific mandates to do so. Moreover, such a requirement could lead to ultimately pointless violations. Information is publicly available – in which case the institution is in compliance – or it is not – in which case the institution is not in compliance. Adding a requirement for procedures could lead to the suggestion that while information is publicly available, the institution did not have – in the subjective judgment of an examiner – adequate procedures designed to reveal this. This outcome is absurd and should not be facilitated by a requirement to adopt compliance procedures.

Definition of Personally Identifiable Information

The Act defines the term "nonpublic personal information" as "personally identifiable information (i) provided by a consumer to a financial institution; (ii) resulting from any transaction with the consumer or any service performed for the consumer; or (iii) otherwise obtained by the financial institution." The Act does not define the term "personally identifiable information."

In the Proposed Rule, the agencies define the term "personally identifiable financial information" to include *any* information that is obtained by a financial institution in connection with providing a financial product or service to a consumer. In the preamble to the Rule, the agencies state that they believe this approach "reasonably interprets the term 'financial.'"

The MBA believes that the agencies' definition of personally identifiable financial information is inconsistent with the Act and will impose significantly greater burdens and expenses on financial institutions. If Congress had intended the provisions of the Act to apply to *any* information obtained by a financial institution, they would have drafted the Act to state as much, and would not have specifically included the term "financial" in its provisions. Furthermore, if the agencies apply the Rule's requirements to *all* information (other than publicly available information), they will substantially increase the scope of information covered by the Act's requirements and the burden and expense associated with complying therewith. For these reasons, MBA urges the agencies to limit the definition of personally identifiable financial information to information that is "financial."

Definition of "Customer" and "Consumer"

The Proposed Rule distinguishes between "customers" and "consumers" for purposes of the Rule's disclosure requirements. In summary, the Rule requires financial institutions to provide privacy notices to consumers only if the institution intends to disclose nonpublic personal information about the consumer to a nonaffiliated third party for a purpose that is not authorized by one of the Rule's exceptions. In contrast, financial institutions must give privacy policy notices to all customers prior to establishing the customer relationship and at least annually thereafter.

The MBA believes that the agencies should clarify when a mortgage loan borrower is a consumer and when he/she is a customer under certain circumstances.

Secondary Market Transactions

The agencies should clarify that a secondary market investor does not have a customer relationship with a mortgagor in cases where a third party servicer owns the rights to service the loan.

Most residential mortgage loans are sold after origination to secondary market investors that either hold them on a whole loan basis or include them in pools of loans used to back mortgage-backed securities. These secondary market investors include Fannie Mae and Freddie Mac, private investors and securitization trusts.

In most cases, entities other than the secondary market investors described above own the right to service the mortgage loans. As a general matter, these mortgage loan servicers have exclusive contact with the individual borrowers. Investors typically have no contact with borrowers and, in many cases, borrowers do not even know the identity of the investor on their loan.

As the Proposed Rule currently is drafted, in cases where one financial institution owns a loan and another owns the related servicing rights, *both* institutions would be deemed to have a customer relationship with the borrower. Specifically, the agencies state in the preamble to the Rule:

> The examples also clarify that a consumer will have a customer relationship with a financial institution that makes a loan to the consumer and then sells the loan but retains the servicing rights. In that case, the person will be a customer of both the institution that sold the loan and the institution that bought it.

See, e.g., 65 Fed. Reg. 11,176.

The MBA believes that this approach will confuse borrowers and place an unreasonable burden on secondary market investors. If both the investor and the servicer are deemed to be in a customer relationship with a mortgage loan borrower, the borrower will receive initial and annual privacy notices from both institutions in connection with the same loan. Because borrowers typically do not have any contact with – and in many cases are completely unaware of – the secondary market investors that hold their loans, such investors' privacy notices would be meaningless and, combined with the servicers' notices, confusing. Furthermore, because borrowers will in any event be consumers vis a vis their investors, if an investor chose to share a borrower's nonpublic personal information with one or more third parties, the borrower would be protected because the Rule would require the investor to give the borrower notice and an opportunity to opt out (unless an exception applies).

In addition to creating consumer confusion, treating secondary market investors as having customer relationships with borrowers would impose an unjustified burden on such entities. Investors often own (or, in the case of securitizations, hold legal title to) thousands of mortgage loans. Preparing and delivering privacy notices on an annual basis would involve a substantial administrative burden and significant expense. Given that passive secondary market investors (i) typically do not engage in the information sharing practices that the Rule's notice requirements are designed to disclose, and (ii) must comply with the Rule's notice and opt out requirements if they desire to share their borrowers' nonpublic personal information with third parties (and no exception applies), the agencies should not impose the burden and expense associated with customer relationships on such investors.

Servicing Arrangements

The term "servicing" has many different meanings and, depending on the parties to, and structure of, a servicing arrangement, can involve different interests in and to the related servicing rights. The MBA believes that in situations involving multiple servicing entities (*e.g.,* master servicers and subservicers), the Proposed Rule should provide that the entity in direct contact with the borrower should be deemed to be in the customer relationship, and that all other servicing entities should be deemed to be in a consumer relationship with the borrower.

For example, financial institutions that own mortgage loan serving rights sometimes appoint a subservicer to perform the actual servicing function on their behalf. Thus, while the master servicer owns the servicing rights, is entitled to a portion of the servicing fee income and remains ultimately responsible to the investor for the servicing of the loan, the subservicer performs the day-to-day servicing functions (*e.g.*, receives loan payments, administers escrow accounts, responds to customer inquiries) and has exclusive contact with the mortgage loan borrowers.[1]

The MBA believes that in such situations, the entity in direct contact with the borrower (*e.g.*, the subservicer) should be treated as having a customer relationship, and all other entities, including master servicers and passive secondary market investors, should be treated as having consumer relationships. Under this approach, the borrower would receive initial and annual privacy notices from the entity with which he/she has direct contact, but would not receive such notices from other parties unless they intended to share the borrower's nonpublic personal information with third parties (and no exception applies).

Entities Acting In a Brokering Capacity

The MBA believes that the Rule should treat entities that perform mortgage loan brokering services as having a consumer, rather than a customer, relationship with the borrower. Currently, the Proposed Rule states that a financial institution has a customer relationship with a borrower in cases where the institution undertakes to "arrange or broker a home mortgage loan." Under this approach, an entity that brokers a loan will be required to provide the borrower with an initial and at least one annual privacy notice, even though the borrower's relationship with the entity most likely will end once the loan is closed. This result will be confusing to borrowers and burdensome to financial institutions that broker mortgage loans.[2] Furthermore, the Proposed Rule currently states that a financial institution that sells a consumer's loan and does not retain the servicing rights does not have a customer relationship with the borrower. The Rule's
Privacy Comments

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[1] In some instances, the mortgage loan servicer services in its own name (*i.e.*, borrowers send their loan payments to the servicer, etc.), but outsources some number of the servicing functions to a third party service provider. From the borrower's perspective, all contact is with the servicer. In such cases, MBA believes that the borrower would have a customer relationship with the servicer, and the subservicer would be a service provider as contemplated in Section ___.9 of the Rule.

[2] As is the case with passive secondary market investors and subservicing arrangements, if the Rule treats brokers as having consumer relationships with borrowers, the brokers will be required to provide a privacy notice and opt out if the broker desires to share a borrower's nonpublic personal information with a nonaffiliated third party (and no exception applies).

approach for brokers should be consistent with its approach for entities that sell loans on a servicing-released basis.

Transferability of Opt Out

The MBA believes that the agencies should clarify the applicability of an opt out on a subsequent purchaser of a mortgage note. The issue of whether subsequent purchasers are restricted by opt outs exercised by customers under policies and procedures of previous financial institutions is not specifically discussed in the preamble language and is subject to contradicting provisions in the proposed rule's text. On the one hand, the proposed rule states that where entities purchase a loan, they enter into "customer" relationships with the mortgagors and thereby trigger the requirements to provide the privacy disclosures that include an opportunity to opt out (unless an exception applies). The logical implication is that opt out requests do not transfer to the new owner upon the sale of a loan since it would not make sense to require that the successor financial institution offer an opportunity to opt out if that institution is effectively bound by opt outs exercised under the previous holder of the loan.

On the other hand, Section __.8(e) of the proposal appears to state that the transfer of a loan (or the loan's servicing rights) does not annul the effectiveness of any prior opt outs. That provision states that a consumer's opt out request is effective "until revoked by the consumer in writing." Under this provision, the sale or transfer of a loan (or the loan's servicing rights) would not invalidate a customer's opt out since only a signed revocation is deemed to terminate an opt out decision. This view is supported by Section __.12 of the proposal, which provides that nonaffiliated third parties that receive nonpublic personal information from a financial institution cannot, directly or indirectly, disclose that information to persons that are not affiliated with the financial institution or the third party. According to the preamble, "[t]he Act appears to place the institution that receives the information into the shoes of the institution that disclosed the information." 65 Fed. Reg. 8780. Under these provisions, purchasers of loans (or loan servicing rights) appear strictly bound by whatever relationship is in existence between the transferring financial institution and the borrower, including any relationships relating to transfers of nonpublic personal information and opt out rights, at the time of the transfer.

The MBA believes that the latter interpretation is incorrect and urges that the agencies make explicit that opt-outs apply to restrict only the financial institution that supplied the notices and received the customer's request to opt out . The plain meaning of the Act confirms that this is the correct interpretation. Section 502(b) of the Act sets forth that financial institutions may not disclose nonpublic personal information to a nonaffiliated third party unless "the consumer is given the opportunity... to direct that *such* information not be disclosed to *such* third party." (Emphasis added). This language clearly reflects that the right to opt out is specific to the types of information disclosed and the types of third parties that would be receiving the information. The full context of the new legislation is important here. Congress realized that every institution differs with respect to policies and practices applicable to protecting customer information. Under the provisions of the Act, Congress has set up a system whereby customers must receive a full description of their financial institutions' policies and practices to allow them to decide whether those policies and practices are acceptable or whether they prefer to have nonpublic personal information withheld. Under the statutory construct of the Act, where loans are transferred to other financial institutions, the customer must be allowed to review the specific policies of the new holder and the new holder must be allowed to disregard any prior opt outs in order to establish a relationship with the customer that is reflective of the specific policies and practices that the new institution has in place.

The MBA urges the agencies to clarify that decisions to opt out are specific to the financial institutions that are holding the loan and that such decisions do not 'travel' with the loan when such loans are transferred to subsequent purchasers. The MBA believes that consumers are adequately protected by the requirement that subsequent owners of the loan (or loan's servicing rights) must provide new disclosures and new opt out notices to its new customers (unless an exception applies); the procedures set forth under §§ _.4, _.5, _.6, _.7, and _.9 of the proposed regulations give consumers ample opportunity to review the privacy policies of the new financial institution and reach an informed decision regarding the financial institution's disclosure policies.

Opt Out In Cases Involving Joint Accounts

The agencies solicit comment on the application of the right to opt out in cases involving joint accounts, and seek input on whether all parties on the account should have to agree before an opt out becomes effective.

The MBA believes that allowing one person's opt out to be effective when the institution intends to share information about the other individual on the account is unduly restrictive. On the other hand, as a practical matter, it may be difficult to coordinate and implement the receipt of two opt outs on one account.

As a consequence, the MBA believes that the best solution is to permit institutions to act, at their option, on the instructions of one joint accountholder with respect to that accountholder only or to the entire account, or to require all accountholders to opt out.

Reasonable Opportunity to Opt Out

The preamble to the Proposed Rule states that a "financial institution does not provide a reasonable means to opt out if the only means provided is for the consumer to write his or her own letter to
the institution to exercise the right." As a practical matter, we believe institutions will likely use preprinted forms and similar devices for opt-outs. Nevertheless, we do not believe the statute precludes an institution from requiring a consumer to write a letter expressing a desire to opt out. Accordingly, the final rule should make it clear that institutions may require such a letter at their option.

The Proposed Rule also requests comment on whether a consumer should be able to opt out by contacting an institution through any means the institution has established for dealing with customers. MBA strongly believes that institutions should be permitted to establish specific channels – such as designated telephone numbers or addresses – through which an opt-out must be exercised. If institutions are not provided with this ability, it will be difficult, if not impossible, to establish reliable procedures to ensure that opt-outs are properly processed. Allowing an opt-out to be communicated through any channel significantly increases the burden of handling such requests and also increases the likelihood that innocent mistakes in processing may prevent the opt-out from becoming effective.

Exception To Opt Out Requirements For Service Providers And Joint Marketers

Section ___.9 of the Rule implements Section 502(b)(2) of the Act by providing for an exception to the Rule's opt out requirements for disclosures of information to certain nonaffiliated third party service providers and joint marketers, provided that certain requirements are satisfied. The Rule essentially reiterates the Act's requirements in connection with disclosures made pursuant to this exception. The agencies invite comment on whether additional requirements should be imposed.

The MBA does not believe that the agencies should impose requirements in addition to those set forth in the Act and the Proposed Rule. The Act and Rule provide for substantial protections to consumers, including a requirement that financial institutions that share information with third party service providers enter into contractual agreements with such third parties requiring them to: (i) maintain the confidentiality of the disclosed information to at least the same extent the institution just maintain the confidentiality of such information, and (ii) limit their use of the disclosed information to the purposes for which the information was disclosed (unless an exception applies). The MBA believes that these requirements fully protect consumers' privacy interests and that the agencies should not increase the administrative burden and expense on financial institutions by adding requirements in addition to those set forth in the Proposed Rule.

Account Number Restrictions

Section ___.13 of the Proposed Rule implements Section 509(d) of the Act by providing that:

> A bank must not, directly or through an affiliate, disclose, other than to a consumer reporting agency, an account number or similar form of access number or access code for a credit card
> account, deposit account or transaction account of a consumer to any nonaffiliated third party for
> use in telemarketing, direct mail marketing or other marketing through electronic mail to the consumer.

The agencies have requested comments in connection with several issues arising under this provision. Each of the agencies' requests and our responses thereto are set forth below.

> **The agencies seek comment on whether an exception to the section 502(d) prohibition that permits third parties access to account numbers is appropriate, the circumstances under**
> **which an exception would be appropriate, and how the exception should be formulated to provide consumers with adequate protection.**

In the preamble to the Proposed Rule, the agencies indicate that they have not proposed an exception to the section 502(d) prohibition "because of the risks associated with third parties' direct access to a consumer's account." MBA believes that there are a number of circumstances in which an exception to the section 502(d) prohibition would not increase the risks associated with the disclosure of account number information to a third party. In these instances, the agencies should permit an exception to section 502(d)'s prohibition.

First, the agencies should confirm that when a financial institution uses a third party service provider to prepare and mail account statements to the institution's mortgage loan borrowers, the Proposed Rule does not prohibit the third party from providing marketing materials to the borrowers along with the statement information. In such instances, there is no additional risk to the borrower, because the financial institution must provide account number information to the service provider regardless of whether marketing information is included with the statements.

Second, the agencies should clarify that if an entity receives account number information in its capacity as an agent, the Proposed Rule would not prevent the agent from sharing such information with its principal. For example, if a mutual fund's shareholder servicing agent learns that a customer of the fund may be interested in a new investment product, the servicing agent should be permitted to disclose the customer's account number (along with information about the product in which the customer has expressed an interest) to its principal – the mutual fund – so the mutual fund can market the product to the customer. In such cases, permitting the agent to disclose the customer's account number to its principal will make it easier for the principal to access its customer's records. Furthermore, the practice will not involve additional risk to the borrower, because the principal already will have the borrower's account number information.

Third, the agencies should permit financial institutions to disclose encrypted account number information to third parties where the institution does not provide such parties with the key to decrypt the information. Widely available commercial encryption products make it virtually impossible to read encrypted information without the key. For this reason, permitting financial institutions to share encrypted account numbers will not materially increase the risk of third party access to consumers' account number information. In many instances, however, permitting this practice will make it easier for institutions to provide consumers with additional products and services expeditiously. Moreover, the legislative history of the Act demonstrates that Congress specifically anticipated that the agencies would create an exception to section 502(d) for encrypted account number information:

> Mr. HAGEL: Mr. President, I also inquire of the chairman whether, in fact, it is his expectation that the regulators will use their broad exemptive authority given in the legislation to allow for sharing of encrypted account numbers if the consumer has given his permission?
>
> Mr. GRAMM: Mr. President, yes, that is true.
>
> Mr. HAGEL: Mr. President, I inquire of the distinguished chairman of the banking Committee whether the mangers felt so strongly that they chose to highlight this exemption for encrypted account numbers in report language. We would hope the regulators would use this exemptive authority. Isn't that true?

> Mr. GRAMM: Mr. President, yes.
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> Mr. HAGEL: This commonsense approach is consistent with consumer choice and with the customer privacy. We expect the regulators to use their exemptive authority to allow legitimate business practices that safeguard consumer financial information to continue to operate and provide customers with greater choices of products and services.

103 Cong. Rec. S13,902 (1999).

> **The agencies also seek comment on whether a flat prohibition as set out in section 502(d) might unintentionally disrupt certain routine practices, such as the disclosure of account numbers to a service provider who handles the preparation and distribution of monthly checking account statements for a financial institution coupled with a request by the institution that the service provider include literature with the statement about a product.**

MBA does not believe that section 502(d) was intended to prohibit practices such as including marketing information in account statements prepared by third party service providers. As described above, such practices do not increase the risks to consumers, because the account numbers are disclosed to consumers regardless of whether marketing information is included with the account statements.

> **In addition, the agencies invite comment on whether a consumer ought to be able to consent to disclosure of his or her account number, notwithstanding the general prohibition in section 502(d) and, if so, what standards should apply.**

MBA believes that the agencies should permit the disclosure of account number information in situations where the consumer expressly consents to the disclosure. Such an exemption would be consistent with the principal of informed consent, because it would enable consumers to decide whether the benefits of permitting account number disclosures (*e.g.*, expedited service) would outweigh any related risk. Furthermore, the legislative history of the Act demonstrates that Congress clearly envisioned permitting consumers to authorize banks to share their account numbers with third parties. Specifically, during a Senate debate on the matter, Senator Gramm confirmed that Congress expects the agencies to create an exception to section 502(d) for customer consent:

> Mr. HAGEL: Mr. President, I inquire of the chairman . . . is it the intent that the third party be able to receive account numbers upon approval by the customer?

Mr. GRAMM: Mr. President, yes, that is correct.

103 Cong. Rec. S13,902 (1999).

The agencies also seek comment on whether section 502(d) prohibits the disclosure by a financial institution to a marketing firm of encrypted account numbers if the financial institution does not provide the marketer the key to decrypt the number.

As discussed in detail above, MBA believes that the agencies should provide for an explicit exception for encrypted account numbers. Such an exception would not result in increased risks to consumers and is consistent with Congressional intent.

Other

In addition to the foregoing, the MBA believes that the agencies should distinguish between "transactional" account numbers (*i.e.*, account numbers for credit cards or home equity lines of credit) and non-transactional account numbers (*i.e.*, identification numbers assigned to closed-end mortgage loans). Unlike credit card or other open-end account numbers, non-transactional account numbers cannot be used to access credit from a consumer's account. Rather, such numbers generally are randomly assigned identification numbers used solely to identify a consumer's mortgage loan. For this reason, the MBA urges the agencies to distinguish between transactional and non-transactional account numbers and apply the prohibitions in Section 502(d) only to transactional account numbers.

<u>Business Purpose Exemption</u>

The proposal makes clear that the rules apply to persons obtaining financial products or services for "personal, family or household purposes." Generally, federal consumer statutes and regulations distinguish such transactions from "business purpose" transactions and set provide guidance on determining which transactions fall into which category. *See, e.g.,* 12 C.F.R. 226.3 (Regulation Z exemptions). MBA recommends that the privacy rules explicitly (1) recite that business purpose transactions are not covered, and (2) provide that the exemptions in Federal Reserve Regulation Z can be used to determine if a transaction is for business purposes. We note that this approach has already been adopted by the Department of Housing and Urban Development in its regulations implementing the Real Estate Settlement Procedures Act.

Model Forms

The agencies have not provided model forms in the proposal. MBAA recognizes that it may be difficult to promulgate model forms and clauses due to variations in individual institutions' policies and practices. Nevertheless, we encourage the agencies to provide model and example forms. The final rule should make clear, however, that reliance on such forms is optional but institutions using them properly should be deemed to be in compliance.

Effective Date

The Proposed Rule provides that the final version of the Rule will become effective on November 13, 2000. Section 504 of the Act authorizes the agencies to prescribe a later effective date if they so choose

The Proposed Rule will have a fundamental impact on the way financial institutions do business. To comply with the Rule, institutions will, among other matters, need to develop or obtain software programs to generate privacy notices, establish and implement procedures to track opt outs, and hire qualified personal to establish and administer their privacy procedures. The MBA therefore believes that the agencies should give financial institutions one year to implement the requirements of the Rule, and thus make the Rule's effective date May 12, 2001.

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Once again, the MBA appreciates the opportunity to comment on the Proposed Rule. We would welcome the opportunity to discuss these issues further as the rulemaking proceeds. If you or your staff have any questions about the foregoing, please feel free to contact Rod J. Alba of MBA's staff at 202/557-2930.

Thank you for your consideration.

Sincerely,

Paul S. Reid, CMB
Executive Vice President