Comerica

Comerica Incorporated

By Fax 202-452-3819

November 4, 2005

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20[th] Street and Constitution Ave., NW
Washington, DC 20551
Attention: Docket No. OP-1232

Re: Request for Burden Reduction Recommendations

Dear Ms. Johnson:

We are writing in response to the August 11, 2005 Notice of Regulatory Review published by the federal banking agencies. Comerica Incorporated is a $54 billion bank holding company located in various states including California, Florida, Michigan, Texas, and Arizona. Comerica very much appreciates the opportunity to make suggestions on ways to reduce regulatory burden on banks.

Our comments are limited to Federal Reserve Regulation O (12 CFR 215) and particularly to certain thresholds and reporting requirements thereunder.

First, the exception for indebtedness of $15,000 or less in credit card debt under section 215.3(b)(5) to the definition of the term "extension of credit" is outdated, overly burdensome, difficult for executive officers to comply with, and is not needed to serve the purpose of the underlying statute. When credit cards are issued by banks other than the executive officer's own bank, the issuing bank may, from time to time, automatically raise the limits on the cards. Given the automatic nature of the increases, the executive officer may not even know of the increase for some time. However, Regulation O (12 CFR 215.9) requires that such increases be reported by the executive officer within ten days to his or her board of directors. Also, for these executives it is not unsafe or unsound for them to have limits on their credit cards well above the $15,000 threshold. The exception limit for credit cards issued by third-party banks could be increased to $25,000 or even higher and still preserve the intent of the underlying statute.

Second, section 215.5(c)(4) of Regulation O excepts from a prohibition against loans to a bank's own executive officers loans of $100,000 per executive officer. We believe that is too low given the size of today's banks. Allowable indebtedness by an executive officer to a bank, which does not exceed 2.5% of the unimpaired capital of that bank, should be raised to at least $500,000. The Board should also consider indexing such figure to measures of inflation. Since the regulation already dictates that preferential treatment must not be given to any executive officer or his or her related interest, bank credit underwriting processes should dictate the total amount of debt that an executive officer should be permitted to carry.

Third, the limit for reporting indebtedness to other banks should be raised to be consistent with the proposed increase suggested above.

Thank you for the opportunity to comment on these issues.

Sincerely,

Julius L. Loeser
Chief Regulatory
and Compliance Counsel
Corporate Legal

Martha K. DenBaas
Vice President
Corporate Public Affairs