



**VIA ELECTRONIC TRANSMISSION**  
**[www.regulations.gov](http://www.regulations.gov)**

April 11, 2011

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

Subject: FR Y-6, FR Y-7, FR Y-9C, FR Y-9LP, FR Y-9SP, FR Y-9ES, FR Y-9CS,  
FR Y-10, FR Y-11, FR 2314, FR Y-8, or FR Y-12

Dear Secretary Johnson:

On behalf of Nationwide Mutual Insurance Company and its affiliated companies (collectively "Nationwide") we appreciate the opportunity to comment on the above-referenced proposal. Nationwide respectfully requests that the Board of Governors adjust the proposed reporting regime to make it more relevant and less costly and burdensome to savings and loan holding companies (SLHCs). As discussed below, the proposal would apply a reporting regime that is appropriate for bank holding companies (BHCs), but we believe is not appropriate for diverse SLHCs, including insurance company SLHCs. We also respectfully request that the imposition of new reporting requirements on SLHCs be delayed until after March 31, 2013.

#### About Nationwide

For more than 80 years, Nationwide's insurance and financial products and services have helped millions of Americans protect what matters most to them—their homes, their cars, their businesses, and their financial security as they prepare to live in retirement. We operate under the assumption that market and economic downturns are an unfortunate, but inevitable, aspect of the business cycle.

Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
Page 2

Accordingly, when the latest crisis erupted in 2008, we were prepared with a strong balance sheet and significant capital on hand. As the severity of the crisis became evident, we took immediate action to reduce risk, enhance liquidity and preserve our capital. Because of our preparation and decisive actions, Nationwide remained strong, stable and financially sound during the darkest days of late 2008 and early 2009, while some of our peers accepted bailout funds through the Troubled Asset Relief Program or raised capital under distressed circumstances.

Managing our business through difficult economic cycles is a challenge we've faced before. During the Great Depression, Nationwide not only survived, but thrived. In the 1930s, we increased our policies in force, assets, premiums and surplus, establishing a historical record of financial performance that continues to be recognized in our industry. In 2009, *Best's Review* listed Nationwide among the property and casualty and the life and health insurers that had maintained at least an "A" rating in each business line for 75 years. Nationwide is time tested as a source of financial strength and stability.

As a mutual insurance company, we see our mutual standing as another reflection of our roots and historical strength. Mutual ownership enables us to focus more on our customers and to make decisions and investments with a longer-term perspective than many of our publicly traded peers that often must focus on short-term results. Another key to our success is strong business mix.

Our diverse mix of businesses is a key advantage for Nationwide. We're able to serve the lifetime insurance and financial services needs of our customers through four key businesses:

- Personal Protection—Auto and homeowners insurance, life insurance, banking, and farm coverage
- Personal Investments—Fixed and variable annuities, variable and universal life insurance, and mutual funds
- Retirement Planning—Public- and private-sector retirement plans
- Commercial and Specialty—Agribusiness and commercial insurance, excess and surplus lines, specialty health, and health management

This diverse, balanced business portfolio ensures our ability to drive consistent levels of performance regardless of economic or market forces, and it's one of the reasons we've been able to weather these recent turbulent times.

Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
Page 3

We wanted to share this basic information to highlight some of the key ingredients emblematic of financial stability: solid capital and liquidity on a consolidated basis for the protection of our customers (the hallmark of safety and soundness), and sound risk management reflected in the insurance business model and diversification.

Nationwide operates through an insurance holding company system registered with the Ohio Department of Insurance. By virtue of its ownership of Nationwide Bank, Nationwide is registered with the Office of Thrift Supervision as an SLHC pursuant to Section 10 of the Home Owners' Loan Act of 1933. As a U.S. nonbank financial company, Nationwide appreciates the opportunity to provide comment upon the Notice of Intent to Require Reporting Forms For Savings and Loan Holding Companies in light of the transfer to the Board of Governors supervisory functions related to SLHCs and their non-depository subsidiaries on July 21, 2011 pursuant to Title III of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (the "Act"). The Board will assume the role.

#### Nationwide Comment to the Proposed Reporting Requirements

Nationwide believes that the proposed reporting requirements would apply a regime that, while appropriate for BHCs, would not be appropriate for diverse SLHCs, including insurance company SLHCs. The proposed reporting regime would impose new undue and costly burdens on diverse SLHCs. Nationwide therefore recommends that the Board of Governors specifically identify the regulatory costs and burdens in applying the proposed forms to SLHCs, and change the proposed forms to minimize the unnecessary cost and burden on diverse SLHCs. Such a process should involve a collaboration by the Board of Governors with the industry to devise solutions in the best interests of financial services customers and the public at large. In addition, Nationwide respectfully requests that the Board of Governors delay imposition of new reporting requirements upon SLHCs until after March 31, 2013.

Our specific concerns with the proposal are as follows. First, the proposed requirements and sheer number of reporting forms far exceed current reporting requirements for SLHCs, posing for such companies significant practical systems design, conversion and training issues. The proposed requirements would strain companies' ability to meet a March 31, 2012 compliance date. These operational issues are compounded by the simultaneous switch from Thrift Financial Report to Call Report filings.

Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
Page 4

We also have concerns regarding the SLHC reporting proposal. Currently, under 12 C.F.R. Section 584.1(a)(2), SLHCs must file Form H-(b)(11) on a quarterly and annual basis. Holding company information also is included in Schedule HC of the Thrift Financial Report. See 12 C.F.R. Section 584.1(e). By contrast, the proposal requires 12 new forms that must be filed quarterly, semi-annually, annually or based upon the occurrence of events or transactions.

Information requested in these forms would be appropriate for bank holding companies, yet cumbersome and possibly unnecessary for SLHCs engaged in diverse nonbank financial activities. For example, Schedules HC-H, HC-L and HC-N to Form FR Y-9C require detailed consolidated financial information on:

- interest sensitivity
- past due and non-accrual loans,
- leases
- other assets

Given the nature of these categories as “closely related to banking”, it is logical for bank holding companies to be required to report these items. However, the compilation of this information from a diverse nonbank financial company consisting predominately of insurance companies would be burdensome, costly and would take time to implement.

Second, Title III of the Act made clear that both federal savings associations and their holding companies will continue to be governed by the Home Owners’ Loan Act, which is an entirely different regulatory regime from the Bank Holding Company Act.

Specifically, Section 301 of the Act sets forth as two of the purposes of Title III:

...

- (3) to ensure the fair and appropriate supervision of each depository institution, regardless of the size or type of charter of the depository institution; and
- (4) to streamline and rationalize the supervision of depository institutions and the holding companies of depository institutions.”

While the imposition of bank holding company reporting upon SLHCs, would represent a quick and streamlined approach, we urge the Board of Governors to take a more deliberative approach in this case. We urge the Board to document for the record how applying bank holding company reporting to SLHCs is rational

Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
Page 5

or fair and appropriate under the statute. We believe that the legislative intent would be better served if the Board identified the burdens on SLHCs, weighed the benefits of the proposed reporting, and adjusted it accordingly to ensure that any new reporting imposed on diverse SLHCs is appropriate. This is especially important given that SLHCs are specifically exempted from the Bank Holding Company Act. The rule as proposed does not estimate the regulatory burden or describe a calculation methodology, and in fact states that none will be available until after the July 21, 2011 transfer date, the first anniversary of the Act.

For example, in addition to the question whether the items noted above in connection with the FR Y-9C form are necessary or appropriate with respect to SLHCs that are insurance companies, a similar concern arises with respect to Form FR Y-10. FR Y-10 filings are triggered by reportable transactions or events including acquisitions, transfers or sales of interests in nonbanks, commencement of new activities, and changes in existing activities. However, such a report, while appropriate for bank holding companies, should be irrelevant for SLHCs that are grandfathered pursuant to Title IV of the Gramm-Leach-Bliley Act of 1999, because grandfathered thrifts are exempt from these restrictions prescribed by the Bank Holding Company Act. Moreover, such a report would pose an undue burden on grandfathered SLHCs such as Nationwide.

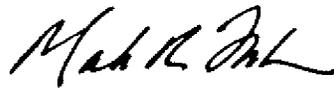
Third, extension of the deadline would allow the Board and the industry to work together in suggesting revisions to the forms so that they are relevant and appropriate for SLHC use without imposing undue cost and burden. Such an approach would take into account the burdens and costs on SLHCs, the express purpose and intent of the statute, and would assist the Board of Governors in fulfilling its mandate to ensure that the SLHC will be a source of financial strength to the federal savings association. Section 616 of the Act adding Section 38A of the Federal Deposit Insurance Act.

In summary, for the foregoing reasons, we urge the Board of Governors to collaborate with the industry to craft useful and appropriate forms that recognize the diverse nature of SLHCs in light of the Home Owners' Loan Act. The proposal should be adjusted to recognize the SLHC exemption from the Bank Holding Company Act. To accomplish this goal and permit a useful and beneficial dialogue and facilitate compliance, we urge the Board to delay implementation of new reporting forms until after March 31, 2013. We thank you for your consideration and look forward to future opportunities to comment.

Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
Page 6

Very truly yours,

NATIONWIDE

A handwritten signature in black ink, appearing to read "Mark R. Thresher". The signature is written in a cursive, flowing style.

Mark R. Thresher  
Executive Vice President—Chief Financial Officer