FIRST TENNESSEE

All Things Financial.

July 20, 2011

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

Re: Proposed Rule on Electronic Fund Transfers, Docket No. R-1419; RIN 7100-AD76

Dear Ms. Johnson:

We appreciate the opportunity to comment on the above rule proposed by the Board of Governors of the Federal Reserve System (the "Federal Reserve") (the "Proposed Rule") to implement protections for consumers who send remittance transfers to consumers or entities in a foreign country, as set forth in Section 1073 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank").

First Tennessee Bank National Association is a regional bank with $25 billion in total assets as of June 30, 2011. Our 5000 employees provide financial services through more than 180 bank locations in and around Tennessee. As a provider of International Wire Transfers and International ACH Services, we are affected by the Proposed Rule in a number of ways and are hopeful that the Board will carefully consider our concerns.

While we are mindful of the need for consumers to be informed, portions of the Proposed Rule as stated place an onerous burden on providers that could in fact limit our ability to provide remittance transfer services and thus restrict our ability to serve customers who seek these services. Our comments therefore are focused on the new disclosure requirements.

DISCLOSURE REGARDING FEES

The new form of disclosure as proposed would have the provider disclose "any fees and taxes imposed on the remittance transfer by a person other than the provider, in the currency in which the funds will be received by the designated recipient."

First Tennessee Bank National Association
165 Madison Avenue
Memphis, TN 38103
Phone: (901) 523-4444

Because we do not have account relationships with all banks that are beneficiary banks of wire transfers we originate, we rely on the services of other financial institutions. We may send a remittance through to the Federal Reserve to a U.S. branch or U.S. correspondent of the beneficiary bank, in which event we have no control or special arrangement with these banks. Even if we did have an account relationship with a bank in a remittance path, that bank may change its fees without notice. Obviously, fees, taxes, exchange rates and timing are often outside the control of the sending institution.

The permitted methods for providing estimated amounts involve our being able to substantiate from our records the most recent deductions from a transfer using the same path or the representations of intermediary institutions along a representative route identified by us. It would seem that sending institutions, in order to gather data to predict future fees, taxes and rates, would have to restrict International wires to only a few countries as sending such a wire to a country on an irregular basis would hardly seem cost efficient. This, of course, would lessen the services offered to customers.

Many businesses provide wire requests in electronic form via an Online Banking platform and through Data Transmission, or by a telephone request. These businesses use the wire system to send transactions on a routine basis. Contracts are used in these situations which disclose security terms, delivery options, error resolution and cancellation rights. Often fees charged by the sender are negotiated in advance based on volume of transactions (excluding exchange rates or fees charged by other institutions). Requiring the proposed notification on every wire request would increase the cost per wire.

DISCLOSURE REGARDING AMOUNT RECEIVED

A further requirement under the Proposed Rule states that the provider must disclose "the amount that will be received by the designated recipient, in the currency in which the funds will be received."

To comply with this requirement, we would have to know the fees and taxes imposed by other banks in the transaction, as well as the exchange rate used by another bank to convert the transaction to local currency. In such a transaction, if we do not convert the transaction from U.S. dollars to the receiving currency at origination, we would have no control on the rate used by the receiving bank, nor would we have knowledge of the rate actually applied by that bank.

The proposed language requires us to use a prescribed list of alternatives for estimating exchange rates. Although a currency may be a pegged to a U.S. Dollar or a publicly available wholesale exchange rate that is published daily, any published rate is available on the date of origination of the transaction. If the receiving bank is setting the exchange rate, then the rate is likely to be set at least two business days later. To avoid being in a situation where we would be required to repay the origination amount to the

sender because the recipient received less than our estimate in the local currency, the only solution would be to grossly inflate the exchange rate on the date of origination.

Estimating a rate that is likely to be applied at the receiving bank will require us to have software in place that (a) locates a 'publicly available rate' on the sources cited by the Proposed Rule and (b) calculates a 10-20 percent margin. This will, of course, add to our cost of doing business and put us at risk of having to return the originated amount to the sender.

If a rate is not publicly available, a wire transfer agent would be put in the precarious circumstance of finding a rate through some source that might not be official. In this circumstance, we might instruct our agents to refuse the transaction. This would certainly be a disservice to a customer, an unintended consequence of this requirement.

SUMMARY

As stated, we have great concern over the proposed disclosure requirements. We believe that the resulting restrictions would result in a less than satisfactory customer experience. While our status as an insured institution means that we would have more time to comply, we have doubts that, when full compliance is required, we would be able to meet those requirements without restricting the services we now provide.

Thank you for the opportunity to comment on this important matter. Please contact me should you have any questions or would like to discuss this matter further.

Sincerely yours,

Stephanie Russell
Executive Vice President
Manager, International Department