

UMPQUA HOLDINGS

C O R P O R A T I O N

Parent company for Umpqua Bank and Umpqua Investments, Inc.

May 27, 2011

Board of Governors of the Federal Reserve System
Docket No. R-1410; RIN No. 7100 – AD69

Federal Deposit Insurance Corporation
RIN 3064-AD56

Securities and Exchange Commission
Release No. 34-64140; File No. S7-12-11
RIN 3235-AL06

RE: Incentive-based Compensation Arrangements Proposed Rulemaking

To Whom It May Concern:

Umpqua Bank, headquartered in Roseburg, Ore., is a subsidiary of Umpqua Holdings Corporation (NASDAQ: UMPQ), and has 184 locations in Oregon, Northern California, Washington and Nevada with assets of approximately \$12 billion. Umpqua Bank has been recognized nationally by *The Economist*, *The Wall Street Journal*, *The New York Times*, *BusinessWeek*, *Fast Company* and CNBC for its innovative customer experience and industry-leading banking strategy. For the past five years in a row, the company has been included on *FORTUNE* magazine's list of the country's "100 Best Companies to Work For."

Umpqua Bank welcomes the opportunity to comment on the inter-agency notice of proposed rulemaking regarding incentive-based compensation arrangements, implementing Section 956 of the *Dodd-Frank Wall Street Reform and Consumer Protection Act*.

Umpqua Bank will limit its comments to two components of the proposed rulemaking:

1. The definition of Executive Officer; and
2. Reporting requirements

Definition of Executive Officer: The term "executive officer" should first refer to any persons designated by the covered financial institution's board of directors as executive officers having significant policy-making functions in a resolution adopted by the board or designated as executive officers in a filing with the Securities and Exchange Commission. For example, a public company's board may adopt a resolution identifying its executive officers for purposes of Rule 16a-1(f) promulgated under Section 16 of the Securities and Exchange Act of 1934, as amended. We designate those officers on at least an annual basis and those executive officers make the risk-based policy decisions for the company. They are the appropriate group to be subject to the rule's reporting requirements.

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Required Reports to Regulators: Instead of filing the annual report as proposed in the rulemaking, an annual certification by the board of directors, or a committee thereof, of the parent entity would be submitted to the primary regulator. The certification to the regulator would state the institution has done what is proposed, but the documentation would remain with the institution and be available to the regulator for examination. The institution is certifying it is complying, without including the documents.

The proposed rule acknowledges the very sensitive nature of the material being requested in these annual reports and indicates the confidentiality of the information will be nonpublic to the extent permitted by law, *but cannot guarantee the submitted material will in-fact remain confidential.*

To ensure the confidentiality of the required reporting, the final rules should instead provide that the financial institution may certify its compliance annually with the rules and file the certification with its primary regulator, similar to the Compensation Committee Certification process required under the TARP/Capital Purchase Program. The financial institution will then be required to maintain the actual reporting items, in narrative form, as required under the proposed rules, and allow the financial institution's regulator to examine the material on-site at the financial institution.

These two items, the clear statutory definition of executive officer as provided in Section 16 of the Securities and Exchange Act of 1934, as amended; and the certification to the regulator, with supporting documentation as provided in the proposed rule available for examination by the regulator, will ensure full compliance with the law and protect confidentiality, while not overburdening regulators.

If I can provide additional information, please contact me at 541-434-2997 or at stevenphilpott@umpquabank.com. Thank you for your consideration of these comments.

Very truly yours,



Steven L. Philpott
EVP/General Counsel