



McHenry Kane
Vice President
Attorney

SunTrust Banks, Inc.
303 Peachtree Street, N.E.
Suite 3600
Atlanta, Ga. 30308
Tel 404.588.8627
Fax 404.230.5387
mchenry.kane@suntrust.com

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Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, D.C. 20551
Attention: Comments
regs.comments@federalreserve.gov

Re: Comments to Proposed Rule OMB control #7100-0341

Ladies and Gentlemen,

On behalf of SunTrust Banks, Inc. ("SunTrust") and its employees, many of whom have contributed to this analysis, I would like to take this opportunity to pose certain questions and ask for clarifications to the Board of Governors of the Federal Reserve System (the "Board") notice of proposed rulemaking on information collection activities, which proposed rule was published in the Federal Register on February 22, 2012 (the "Proposed Rule"). We note that SunTrust is a bank holding company with total consolidated assets greater than \$50,000,000,000 and would be subject to the Proposed Rule absent any changes to the contrary in the final rule.

SunTrust has primarily technical questions about items contained in both the proposed FR Y-14M and the FR Y-14Q. SunTrust seeks the Board's clarification or confirmation of the following matters:

- Confirmation of understanding of certain changes to the FR Y-14Q and the FR Y-14M;
- Clarifications and recommendations of specific field instructions in the FR Y-14M;
- Clarifying questions regarding the proposed quarterly operational risk data submission; and
- A proposal to combine address matching data with product specific loan level collection.

Changes to the FR Y-14Q to Build the FR Y-14M

- SunTrust understands that the new FR Y-14M will not replace or discontinue the current FR Y-14Q retail risk data submissions for student loans, auto and other consumer data collections and we ask that the Board confirm this understanding.
- SunTrust requests that the Board provide clarification regarding question 51 in the Proposed Rule with respect to submissions for FR Y-14M related to residential mortgages and whether the Board expects the submission to contain loans that are serviced by the institution, but owned by other investors.
- SunTrust requests that the Board provide clarification regarding questions 98 and 99 of the

Proposed Rule with respect to submissions for the FR Y-14M related to residential mortgages and whether the Board will require bank holding companies to report on foreclosures. More specifically, SunTrust seeks a better understanding of the Board's expectation on the population of loans to be included in this submission.

- SunTrust understands that the new FR Y-14M will still be subject to materiality thresholds, as the lesser of \$5B or 5% of Tier 1 Capital and SunTrust requests that the Board confirm this understanding.

Clarification on Specific Fields in the FR Y-14M Retail Submission

- SunTrust would like to request that the Board specify whether the instruction to include “inventory that has been transferred to another servicer, but only if transferred in the month that it was transferred” should be understood to mean “inventory that has been transferred to another servicer, but only in the month that it was transferred.”
- SunTrust would like clarification on reporting inactive inventory that is completely paid off in any given month. Should a bank holding company consider these loans active to the extent there is a payment in that month and report a balance? If so, would including inactive inventory in reporting cause the FRY-14M data submissions to fail to tie to any other currently produced regulatory reporting, for example the FR Y-9C?
- SunTrust would like to request clarification from the Board on how and, specifically, where in the FR Y-14M to include charge-off, write-down or recovery balances not attributable to a single loan (i.e. portfolio adjustments).
- SunTrust would like to request clarification from the Board on the time-period associated with fields that could cover multiple time periods. For example, loss mitigation fields such as “Delinquent Amount Capitalized”, “Principal Deferred”, and “Principal Write-down” can be interpreted to be understood to mean data (i) should be collected for the current month or (ii) should be a cumulative total reaching back any of year-to-date or as long as records have been kept. Please specify in these instances the scope of the time period for the data point.
- SunTrust recommends to the Board that under “Additional Formatting” only a single value for “Unknown or Unavailable” data is chosen. This can either be a sequence of two pipes or a value of “N/A.” If this option were left open to each bank holding company, SunTrust is concerned it could lead to confusion when standardizing the data for review.
- SunTrust understands that pursuant to the FR Y-14M proposal a bank holding company is not required to generate data for this collection if such data was not previously generated or stored. For fields that are open to interpretation or require detail bank holding companies may not keep, SunTrust recommends limiting these fields to the least-common denominator to limit the data variance among bank holding companies. For example, under “Loan Purpose”, SunTrust would recommend limiting the values for this field to “Purchase”, “Rate/Term Refinance”, “Cash-Out Refinance”, and “Other Refinance”. While we appreciate such a list would not be exhaustive and the “Other Refinance” field may include a variety of different scenerios, we believe that this

approach would expedite data standardization without material loss of information.

- SunTrust would also like to point out an apparent contradiction in the instructions for the “Address Matching Loan Level Collection.” In the first paragraph, the request asks for “one record per *active* loan” (emphasis added); however, in the bulleted list of loans to include, the request states to “include *inactive*, liquidated loans” (emphasis added). Please clarify what is intended by these apparently incongruent requests.

Clarification Questions Regarding the Proposed Quarterly Operational Risk Data Submission

- What is the timeline for the implementation of the quarterly operational risk data submission?
- Should legal accruals be excluded from the data submission? SunTrust notes that the Bank for International Settlements consultative document entitled “Operational Risk – Supervisory Guidelines for Advanced Measurement Approaches” (December 2010, “AMA”) requires that bank holding companies include legal accruals in capital modeling. SunTrust requests that the Board comment on this difference in more detail.
- Should all timing losses and gains be excluded from quarterly data submission? SunTrust notes that AMA guidelines require that bank holding companies treat adjustments over multiple time periods and gains be treated as losses.
- With respect to the initial data submission, is there an expectation that it would include all historical data up to that point? If yes, (a) is the expectation that timing losses/gains would be excluded from the data set and (b) would event aggregation also be required? If the expectation is to include all historical data up to that point, this could present significant compliance challenges to banks because individual events would need to be reviewed to determine if they meet criteria for exclusion.
- Would a causal factor be adequate for an event’s description? Currently, SunTrust does not maintain a short event description. SunTrust’s current long description contains client account detail information in many of the events.

FY Y-14M Schedules: Proposal to Combine Address Matching Data with Product Specific Loan Level Collection (*Closed end Residential Schedule and Home Equity Loan Schedule*)

SunTrust would like to propose that the Board combine the data fields in the “Address Matching Data Loan Level Data Collection” with the product specific “Loan Level Collection.”

- Because both data fields would contain the same loans, a single file would reduce the number of submissions to two (2) FY Y-14M files (one for Closed End Residential and one for Home Equity loans) and consolidate the need to validate two (2) separate files.
- SunTrust believes this proposal would reduce the burden to the industry associated with the validation and attestation of each submission without material loss or degradation of data to the Board.

We appreciate the Board's attention to the matters raised above and look forward to its response.

Regards,

A handwritten signature in black ink, appearing to read "McHenry Kane". The signature is fluid and cursive, with the first name "McHenry" and the last name "Kane" clearly distinguishable.

McHenry Kane

Cc: Ray Fortin
Jim Sproull
Paul Burdiss
Ellen Koebler