



December 9, 2011

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

Re: FR 2028A, Survey of Terms of Business Lending, and
FR 2028B, Survey of Terms of Bank Lending to Farmers

Dear Ms. Johnson:

The Clearing House Association L.L.C. (“The Clearing House”), an association of major commercial banks,¹ appreciates the opportunity to comment on the proposed revisions (the “Proposal”) of the Board of Governors of the Federal Reserve System (the “Board”) to the FR 2028A, Survey of Terms of Business Lending (the “FR 2028A”) and the FR 2028B, Survey of Terms of Bank Lending to Farmers (the “FR 2028B”, and together with the FR 2028A, the “Surveys”). The Clearing House respectfully requests that our comments set forth below on the Proposal be considered before finalizing the revisions to the Surveys.

The Board proposes to revise the FR 2028A by adding four columns to collect additional data. The Clearing House does not object to the Board’s proposals to add a column (i) to the Surveys to indicate if the loan were made under either participation or syndication or (ii) to the FR 2028A to denote if the loan were guaranteed by the Small Business Administration (“SBA”). However, for the reason stated below, The Clearing House does not support the Board’s proposals to revise (i) the Surveys by adding a column to collect the RSSD ID of the branch that originated each loan or (ii) the FR 2028A by adding a column for the loan origination fee in dollars.

¹ Established in 1853, The Clearing House is the oldest banking association and payments company in the United States. It is owned by the world’s largest commercial banks, which collectively employ over 2 million people and hold more than half of all U.S. deposits. The Clearing House Association L.L.C. is a nonpartisan advocacy organization representing—through regulatory comment letters, amicus briefs and white papers—the interests of its owner banks on a variety of systemically important banking issues. Its affiliate, The Clearing House Payments Company L.L.C., provides payment, clearing, and settlement services to its member banks and other financial institutions, clearing almost \$2 trillion daily and representing nearly half of the automated-clearing-house, funds-transfer, and check-image payments made in the U.S. See The Clearing House’s web page at www.theclearinghouse.org.

I. The Clearing House does not support adding a column to the Surveys to collect the RSSD ID of the branch that originated each loan.

Loan data by origination location (bank branch or commercial banking office) is neither readily available, nor are there systems or processes in place to obtain this data. In addition, the types of lending reported in the Surveys typically are made from commercial banking offices or loan production offices (“LPOs”) that are not bank branches and do not have RSSD IDs. According to the draft instructions for the Surveys, banks should report a “0” for loans originated at an LPO. Since a large percentage of our members’ loans would be reported as “0s”, The Clearing House does not believe the Board would receive useful information by including this column. Further, most of our member banks provide the survey electronically to the Board, which is generated by their loan systems with the requested data for each loan. These systems would therefore require software programming support to generate a “0” in the RSSD ID column, and we do not believe that the cost of such programming support is outweighed by any purported benefit of the information that the Board would receive.

The FR 2028A and the FR 2028B are surveys of activity occurring during only four weeks of the year, are required to be submitted only by a limited panel of respondents and participation is voluntary. The difficulties of collecting data for the Surveys are further exacerbated by the timetable required to submit the surveys (*i.e.*, Federal Reserve district banks request the information within 2-5 business days of the final date of data collection). While we appreciate the Board’s proposal to raise the minimum loan size reported in the FR 2028A, we do not believe that an approach based on a somewhat higher threshold would be significantly less burdensome since the information would still need to be collected to determine if the threshold is reached. As noted above, the data for reporting the RSSD ID is not available for most of these loans and would not be meaningful since these types of loans are not typically originated in traditional branches. Accordingly, The Clearing House strongly objects to the proposal to collect the RSSD ID data for loan originations, but would be pleased to discuss the objectives that the Board wishes to achieve and would welcome working with the Board to develop an alternative proposal to achieve such objectives.

II. The Clearing House does not support adding a column to the FR 2028A to collect the loan origination fees in dollars.

For several of our members, loan origination fees are not reported on the same system as the associated loans. Therefore, data would need to be collected from multiple systems, which would require manual reconciliation to match the origination fee to the specific loan. Adding this item to the FR 2028A would increase the cost and burden of completing this voluntary survey and take resources away from required reporting. Therefore, we request that the Board not include this revision in the final FR 2028A.

III. The Clearing House requests that effective date of any of the proposed additions be delayed until after the May 2012 survey week.

Any proposed additions to the Surveys, including those that The Clearing House does not object to, will require system programming changes to implement the collection of this new data and include it in the Surveys. Given the December 12, 2011 closure of the comment period and the time needed for the Board to review the comments and publish the final changes to the Surveys, implementation for the February 2012 survey week is not feasible. Business line and system resources are already stretched with higher priority projects such as CCAR, Basel II, stress tests and other required regulatory reports. Accordingly, The Clearing House requests that implementation of any changes to the Surveys be delayed until after the May 2012 survey week. The Clearing House also respectfully requests that the instructions for the Surveys be revised to include the submission deadlines for the Surveys.

We greatly appreciate your consideration of our comments and would welcome the opportunity to discuss them further with you at your convenience. If we can facilitate arranging for those discussions, or if you have any questions or need further information, please contact me at (212) 613 9883 (email: david.wagner@theclearinghouse.org) or Gail Haas at (212) 612-9233 (email: gail.haas@theclearinghouse.org).

Sincerely yours,



David Wagner
Senior Vice President
Financial and Tax Affairs

cc: Kenneth Lamar
Senior Vice President
Federal Reserve Bank of New York

Vadim Tovshteyn
Team Leader
Federal Reserve Bank of New York

Philip Jasienczyk
Director, Reporting and Reserves Statistics
Federal Reserve Bank of San Francisco

Cynthia Ayouch
Federal Reserve Board Clearance Officer

Federal Reserve Board

Karen Nelson, Wells Fargo Bank, N.A.
Chairwoman, Regulatory Reporting Committee
The Clearing House Association L.L.C.

Gail Haas
Financial Specialist
The Clearing House Association L.L.C.