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American Bankers Association

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Frank Keating
President & CEO
[redacted]

August 10, 2012

The Honorable Mary L. Schapiro
Chairman
U.S. Securities & Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman Schapiro:

Congress enacted the "Jumpstart Our Business Startups Act" (the "JOBS Act") on April 5, 2012. Among its many items, the JOBS Act eased the regulatory burdens of national banks and federal savings associations complying with the registration and periodic reporting obligations of the Securities Exchange Act of 1934 (the "Exchange Act"). In fact, the JOBS Act amended the Exchange Act to allow national banks and federal savings associations with less than 1,200 holders of record to terminate their Exchange Act Section 12(g) registration. The JOBS Act, while assisting banks, federal savings associations and bank holding companies, did not expressly extend its new threshold for termination of registration to savings and loan holding companies (SLHCs) as defined by the Home Owners Loan Act (HOLA) not because there was a specific reason to omit SLHCs, but because of an incomplete cross reference. Correction of that omission is within the Securities and Exchange Commission's ability to address and entirely consistent with the intent and purpose of the JOBS Act.

As evidence of that intent and purpose, the House Appropriations Committee included the following language in its report accompanying The Financial Services and General Government Appropriations bill for 2013 adopted on June 20, 2012: "Congress intends for Title VI of the JOBS Act . . . to apply to S&L Holding Companies defined by the Home Owners Loan Act. The Committee believes the Securities and Exchange Commission should use its existing authority under the Securities and Exchange Act of 1934 to ensure this result." Rpt 112-____House Appropriations Committee, page 72. This clear language gives the Securities and Exchange Commission (SEC) the necessary direction and encouragement to address the unintentional omission.

As noted in testimony and other filings, the Exchange Act in Section 12(h) provides the SEC "with broad authority to exempt issuers from the registration requirements of Section 12(g) so long as the Commission finds that the action is not inconsistent with the public interest or protection of investors."[i] The SEC exercised its exemptive authority in 2007 to provide an exemption from the held of record threshold for compensatory stock options to employees, officer, directors, consultants and advisors without triggering the need to register those options under the Exchange Act. [ii] The House Appropriations Committee's recent report language gives the SEC comfort that exercising its exemptive authority to include SLHCs within the JOBS Act burden reduction provisions along with bank holding companies is consistent with the public interest and protection of investors.

Furthermore, when the House Financial Services Committee considered the language updating the 500 shareholder rule, it did not differentiate between types of banks and bank holding companies. Rather the statistics and definitions cited included state, federal, thrift or banking entities regardless of charter, including, for example, the definitions under the Community Reinvestment Act which applies to all FDIC-insured institutions. The Dodd-Frank Wall Street Reform Act of 2010, while preserving the HOLA

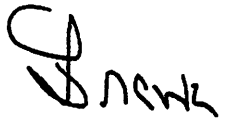
(including the Savings and Loan Holding Company Act) moved to consolidate regulation of savings associations with banks and the regulation of holding companies under the Federal Reserve Board (FRB). Since Dodd-Frank's effective date, the regulatory approach of both the Office of the Comptroller of the Currency and the FRB has been to fold the HOLA institutions into the bank and bank holding company supervisory approach (recent examples are the proposed capital regulations issued by the FRB to include SLHCs within the bank holding company capital requirements).[iii] This consistency of treatment across regulatory charters simplifies compliance and supervision thereby benefiting consumers, the industry and helps focus the efforts of the regulators who oversee the industry to those areas of greater need.

And as noted in a statement for the record by the ABA before the Senate Committee on Banking, Housing, and Urban Affairs filed December 1, 2011, the increase in the shareholder limit was not an attempt to limit transparency or shareholder access to financial and other information – "[s]ignificant financial and other information regarding every bank and savings association can be publicly viewed on the [FDIC] website." Most importantly, all insured financial institutions are required to make annual reports available to both their customers and investors.

It is inconsistent to leave one segment covered by the prior rules for registration while the remaining parts of the industry with identical shareholder structures are able to enjoy focusing on their communities and investors without the additional burdens of registration. It is also cleaner and simpler for the SEC to administer the entire industry in the same manner. Assigning staff and resources for this segment does not seem consistent with the public interest in prudently deploying scarce and valued governmental supervisory attention.

For these and other reasons, we urge the SEC to bring consistency to its implementation of the JOBS Act and treat SLHCs in the same manner as bank holding companies. It is in the public interest and within the power of the SEC to do so.

Sincerely,



Frank Keating

cc: Meredith Cross, Division of Corporation Finance
Gerald Laporte, Office of Small Business Policy

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[i] Testimony of Meredith B. Cross, Director, Division of Corporation Finance, and LonaNallengara, Deputy Director, Division of Corporate Finance, SEC, before the Committee on Banking, Housing and Urban Affairs, U.S. Senate, December 1, 2011 hearing entitled, "Spurring Job Growth Through Capital Formation While Protecting Investors".

[ii] Id.

[iii] See, Board of Governors website, June 9, 2012, adoption of Basel III notice of proposed rulemakings, www.frb.gov.