June 1, 2016

Via Electronic Mail

Office of the Comptroller of the Currency
400 7th Street, SW, Suite 3E-218
Mail Stop 9W-11
Washington, DC 20219
Attention: Legislative and Regulatory Activities Division
Docket ID OCC-2011-0001

Robert V. Frierson, Esq.
Secretary
Board of Governors of the Federal Reserve System
20th St. and Constitution Ave., NW
Washington, DC 20551
Docket No. 1536 and RIN No. 7100 AE-50

Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
Attention: Comments
RIN 3064-AD86

Alfred M. Pollard, Esq.
General Counsel
Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20219
Attention: Comments/RIN 2590-AA42

Gerard S. Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke St.
Alexandria, VA 22314

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F St., NE
Washington, DC 20549
File Number S7-07-16

Re: <u>Request for Extension of Comment Period Deadline with respect to Proposed Incentive-based Compensation Arrangements</u>

Ladies and Gentlemen:

The Clearing House Association L.L.C.[1] respectfully requests that the National Credit Union Administration, the Federal Deposit Insurance Corporation, the Office of the Comptroller

[1] The Clearing House is a banking association and payments company that is owned by the largest commercial banks and dates back to 1853. The Clearing House Association L.L.C. is a nonpartisan organization that engages in research, analysis, advocacy and litigation focused on financial regulation that supports a safe, sound and competitive banking system. Its affiliate, The Clearing House Payments Company L.L.C., owns and operates core payments system infrastructure in the United States and is currently working to modernize that infrastructure by building a new, ubiquitous, real-time payment system. The Payments Company is the only private-sector ACH and wire operator in the United States, clearing and settling nearly $2 trillion in U.S. dollar payments each day, representing half of all commercial ACH and wire volume.

of the Currency, the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, and the Federal Housing Finance Agency (collectively, the "Agencies") extend the deadline for comments on the Agencies' joint notice of proposed rulemaking on incentive-based compensation arrangements under section 956 of the Dodd-Frank Wall Street Reform and Consumer Protection Act[2] ("Proposal") to provide for a comment period of no less than 90 days from the date of publication of the Proposal in the Federal Register.

Incentive compensation arrangements are important tools that are used by banks to attract and retain talent, drive performance, maintain alignment of compensation expense and financial condition, and deter imprudent risk-taking. In light of the significant and enduring impact the Proposal would have on these arrangements, we are actively engaged in a careful review and analysis of the Proposal and preparing comprehensive comments that we hope will provide constructive input into the Agencies' consideration of the potential implications of the Proposal for institutions covered by the Proposal and their employees.

However, we are concerned that the existing comment deadline will not provide sufficient time to perform the level of analysis required to achieve an adequate understanding of the likely implications and potential consequences of the Proposal. Notwithstanding the fact that each of the Agencies adopted the Proposal separately between April 21 and May 16 on an uncoordinated and seriatim basis, all of the agencies have requested comments to be provided no later than July 22, 2016. This date would provide for a comment period of 90 days from the date of the first agency's adoption of the Proposal, but little more than 60 days from the date of the final agency's adoption, at which date the public was finally able to assess the collective substance of the agencies' individual releases. For example, although each agency's proposal is largely similar, the SEC's proposal (adopted on May 6) contains substantial economic analysis not contained in any of the other Agencies' proposals, which warrants careful review and consideration. In addition, as of the date of this letter, the final Proposal has not been published in the Federal Register.

More generally, we note that the Proposal itself is one of substantial length, density and complexity, including hundreds of footnotes and posing over 100 questions that commenters are directed to answer. Indeed, the complexity of the Proposal and the legal and policy issues that underlie it are evidenced by the lengthy and unusual period of time – almost five years – over which the Agencies formulated the Proposal after seeking comment on an initial proposal in 2011. The pace at which the Agencies have proceeded to date serves to underscore the extent to which quality of outcome, and not speed, is the more important regulatory objective.

For these reasons, we respectfully request that the Agencies extend the deadline for comments on the Proposal to provide for a comment period of no less than 90 days from the date of publication of the Proposal in the Federal Register. We believe that a comment period of this length is the minimum necessary to allow us and other commenters to analyze the Proposal's implications and develop meaningful comments that will provide the Agencies with critically important information that is needed to appropriately implement final rules in this area.

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[2] 12 U.S.C. § 5641.

If you have any questions, please contact me by phone at [redacted] or by email at [redacted].

Very truly yours,

Jeremy R. Newell

Jeremy R. Newell
Executive Managing Director,
General Counsel and Head of Regulatory Affairs
The Clearing House Association L.L.C.

cc:

Scott G. Alvarez
Board of Governors of the Federal Reserve System

Michael S. Gibson
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