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File Number S7-08-06 Subject line

RE: Comment on Proposed Regulations, Docket No. OP-1254

Ladies and Gentlemen:

The rules as set forth are generally complete and my comment is with reference to simple drafting oversight that specifies more frequent periodic reviews scheduled for elevated risk CSFT's where recent economic or other changes in the CSFT have been so materially substantive as to identify them in the elevated risk category. Regulations can and should include that these "more frequent periodic reviews" be collated or calendarized to afford regulatory interests and financial institution management opportunity to monitor the *rate* of increased scrutiny by noting the current and planned schedules of increased frequency of review for elevated risk CSFT products, structures or transactions.

In Section III C., "*Monitoring Compliance with Internal Policies and Procedures*" Sound Practices Concerning Elevated Risk Complex Structured Finance Activities now reads:

"Financial institutions should conduct periodic reviews of their CSFT activities to verify that their policies and controls relating to elevated risk CSFT's are being implemented effectively and that elevated risk CFTC's are accurately identified and receive proper approvals. Such monitoring may include more frequent assessments of the risk arising from elevated risk CSFT's, both individually and within the context of the overall customer relationship, and the results of this monitoring should be provided to an appropriate level of management in the financial institution."

This section that is not required but is only prescriptive to provide for increased frequency of internal review should be amended to read "more frequent assessments as with a record and schedule of increased review frequency of the risk arising from elevated risk CSFT's".

In the amended form, business lines would be encouraged to keep record and calendar of changes in review frequency in a manner that provides better information for risk evaluation and effective control infrastructure evaluation by all business and regulatory interests concerned.

Yours truly,

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