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VIA ELECTRONIC AND FEDERAL EXPRESS

June 15, 2006

Office of the Comptroller of the Currency
250 E Street, SW
Public Reference Room
Mail Stop 1-5
Washington, DC 20219
Attention: Docket No. 06-06
regs.comments@occ.treas.gov

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551
Attention: Docket No. OP-1254
regs.comments@federalreserve.gov

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
Attention: Comments/OES
comments@fdic.gov

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552
Attention: No. 2006-20
regs.comments@ots.treas.gov

Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-9303
Attention: File No. S7-08-06
rule-comments@sec.gov

Re: Proposed Interagency Statement on Sound Practices Concerning Elevated Risk Complex Structured Finance Activities

Ladies and Gentlemen:

Bank of America Corporation ("Bank of America") appreciates the opportunity to comment on the proposed Interagency Statement on Sound Practices Concerning Elevated Complex Structured Finance Activities issued by the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation and the Securities and Exchange Commission (collectively, the "Agencies"). 71 Fed. Reg. 28326-28334 (2006) (the "Proposed Statement"). Bank of America is one of the world's leading financial services companies and is the sole shareholder of Bank of America, N.A., one of the largest banks in the United States, and is, also, the sole member of Banc of America LLC, a leading U.S. investment bank. Through the nation's largest financial services network, Bank of America provides financial products and services to more than 1 in 4 households in America. Bank of America is also a leading provider of financial services to small, middle market and large business customers in the U.S. and around the world.

Bank of America is a member of, and has actively participated in, the formulation of comment letters on the Proposed Statement being submitted by the Clearing House Association L.L.C. and the Bond Market Association, the International Swaps and Derivatives Association, Inc., and the Securities Industry Association (the "Trade Associations"). We generally concur with the comments of the Trade Associations and, accordingly, we have limited our comments in this letter to those aspects of the Proposed Statement that we believe deserve particular emphasis and amplification.

We support the Agencies' proposal to provide guidance to financial institutions in developing internal controls and risk management procedures to help identify and address the reputational, legal and other risks associated with complex structured finance transactions ("CSFTs"). We also to agree with the Agencies that financial institutions should have effective policies and procedures in place to identify CSFTs that may involve heightened reputational and legal risk, to provide for a level of review that is commensurate with those risks, and to protect the institutions from participating in illegal or questionable transactions.

We believe that the Proposed Statement demonstrates a significant effort by the Agencies to address concerns that we (and others) identified in the first proposal by the Agencies on this subject (69 Fed. Reg. 28980-28991) (2004) (the "2004" Proposal") and we want to express our appreciation for that effort. In particular, we want to acknowledge the Agencies' efforts to address the concern that the 2004 Proposal was too detailed and prescriptive and might have been misinterpreted as altering or expanding legal duties or obligations of financial institutions involved in providing CSFTs. We believe the Agencies efforts also reflect their recognition of the progress that financial institutions have made in enhancing their due diligence and internal policies, procedures and control processes with respect to CSFTs in the two years that have transpired since the first proposal.

The Proposed Statement now adopts a "principles based" approach, which we believe is the correct approach. It is both more concise and precise. It recognizes explicitly that its adoption is not meant to establish new private rights of action or new legal duties or obligations to customers, shareholders or other third parties. We also appreciate the Proposed Statement's attempt to focus on CSFTs that involve higher risk and to identify types of transactions that do not constitute CSFTs.

We do, however, have a few comments on the Proposed Statement.

First, we note that Section III.B. suggests that we should document the reason supporting a decision to decline a purported CSFT. We believe this is not consistent with current legal requirements, business practices, or regulatory expectations. Financial institutions make decisions about all manner of financial transactions based on a wide range of important considerations, ranging from a straightforward financial determination on the one hand to a more subjective evaluation of the reputation or other risks presented by the transaction on the other. Furthermore, the decision to decline to participate in a transaction is qualitatively unlike the affirmative decision to participate in one: this decision may be somewhat subjective, it may be decided very early in a vetting process, it need not require an exhaustive analysis of all potential issues, it is not necessarily a decision that a proposed CSFT is "bad," and it may legitimately be reversed at a later time upon the completion of a further review process. Requiring documentation of the reasons for declining transactions can increase exposure to various risks where there has (so far) been no analysis of the supervisory or other benefits (if any) resulting from such documentation. In addition, we believe such a requirement could significantly diminish the willingness of a financial institution to entertain a proposed CSFT. We further believe such a requirement would have little or no impact on overall safety and soundness considerations related to such transactions or a particular financial institution.

Second, the portion of Section III.C. entitled "Due Diligence" can be read to imply that banks need to "police" the opinions and analyses received by their clients as to accounting, tax or legal issues. We believe that performing due diligence investigation of these transactions consistent with the concepts of investor protection underlying U.S. securities laws, where applicable, and general notions of safe and sound banking practices are the appropriate approach. We emphatically disagree with any suggestion that anything more is required of a financial institution. We, therefore, urge the Agencies to explicitly affirm that a commercially reasonable degree of confidence that the counterparties understand the transaction and will legally structure and accurately account for and report the transaction is the extent of any expectation regarding the involvement or responsibilities of the financial institution.

To the extent that the Proposed Statement can also be read to indicate there is some need for a financial institution to obtain pre-approval from its board of directors for "elevated" risk CSFTs, we urge that it be made clear that this is not expected where the board of directors (or its committees) has properly delegated that responsibility to the institution's senior management.

We believe these are the major concerns (but not the only concerns -- *e.g.,* potential additional reputation risk, policy/process changes, training, job specialization standards, etc.) presented by the Proposed Statement. Bank of America appreciates the opportunity to submit these comments and would be pleased to discuss any of the points raised in this letter in more detail. Should you have any questions, please contact me at (704) 388-6724.

Sincerely,

John H. Huffstutler
Associate General Counsel

#1034599