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July 27, 2011

Department of Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, N.W.  
Washington, DC 20551

Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

Office of the Comptroller of the Currency  
250 E Street, SW  
Mail Stop 2-3  
Washington, DC 20219

Federal Housing Finance Agency  
Fourth Floor  
1700 G Street, N.W.  
Washington, DC 20552

Federal Deposit Insurance Corporation  
550 17th Street, NW  
Washington, DC 20429

Department of Housing and Urban Development  
451 7th Street, SW  
Room 10276  
Washington, DC 20410-0500

Re: Credit Risk Retention for Asset Backed Commercial Paper; RIN 1557-AD40; 7100 AD 70; 3064-AD74; 3235-AK96; 2590-AA43; 2501-AD53

Ladies and Gentlemen:

SunTrust Banks, Inc. ("SunTrust") appreciates the opportunity to submit this letter in response to the request of the Joint Regulators for comments regarding their notice of proposed rulemaking (the "Proposed Regulations") entitled "Credit Risk Retention" (RIN 1557-AD40; 7100 AD 70; 3064-AD74; 3235-AK96; 2590-AA43; 2501-AD53), issued pursuant to Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank"). SunTrust, with total assets of \$172.3 billion on June 30, 2011, is one of the nation's largest financial services holding companies.

Section 941 requires the Federal Deposit Insurance Corporation (the "FDIC"), the Federal Reserve Board of Governors (the "Board"), the Office of the Comptroller of the Currency (the "OCC"), the Securities Exchange Commission (the "SEC") and, in the case of a securitization of any "residential mortgage asset," the Federal Housing Finance Agency ("FHFA") and the Department of Housing and Urban Development ("HUD" and collectively, the "Joint Regulators") to jointly implement rules to require any securitizer to retain an economic interest in a portion of the credit risk for any asset that the securitizer, through the issuance of an asset-backed security, transfers, sells or conveys to a third party. SunTrust supports reforms within the securitization market and we commend the Joint Regulators for seeking industry input on this critically important issue.

We are writing specifically to comment on the portions of the Proposed Regulations relating to asset-backed commercial paper ("ABCP") conduits. ABCP remains an important funding source for commercial and industrial companies, financial institutions and finance companies in today's market. The Joint Regulators have acknowledged the importance of ABCP to the health of the financial system and the economy by their consistent and critical actions to maintain this market during the recent financial crisis.

It is clear that structured investment vehicles, or SIVs, performed poorly during the market stress that led to the financial crisis. None of the SIVs or similar commercial paper issuers that experienced these issues were supported by letters of credit and 100% liquidity facilities from a regulated commercial bank. The SIVs were premised on the notion that the commercial paper they issued could be paid-off by selling assets in the event that a roll-over of such commercial paper did not occur. This was obviously a faulty assumption. ABCP conduits that funded customer assets with 100% liquidity support, on the other hand, generally fared well throughout the crisis. SunTrust notes that the ABCP market, with the help of the regulators, has largely self-corrected. ABCP conduits that do not primarily finance customer assets, and that do not benefit from 100% liquidity support, have largely exited the market. To the extent that they have not, SunTrust agrees that requiring some new form of risk retention is appropriate.

ABCP conduits are a beneficial form of lending for banks. Since SunTrust first became the sponsor of an ABCP conduit in 1999, SunTrust has never suffered a credit loss from a conduit-funded customer securitization transaction. Using an ABCP conduit as a funding source allows the conduit (and thus the sponsor bank for its supporting exposures) to obtain high quality collateral for its exposures. Other options available to banks to fund their customers could lack the structural protections inherent in a securitization, and may not for competitive purposes be structured to the same credit quality as the ABCP conduit securitization exposure. Also, well structured ABCP conduit customer securitization transactions of all types impose robust asset reporting and monitoring features.

ABCP conduits are also a beneficial form of borrowing from the customer's perspective. An ABCP issuer is called a "conduit" because it acts as a link to the commercial paper market for the bank's customers. ABCP investors evaluate the ABCP program sponsored by SunTrust primarily on the basis of SunTrust's credit and liquidity profile and our underwriting capabilities, not that of our customers or how much credit risk our customers retain. In determining the amount of risk that we will require our customers to retain, SunTrust is essentially setting the "advance rate" for a loan to the customer's special purpose vehicle. This is a credit decision we make in evaluating whether to issue the letter of credit and liquidity facility. This decision is no different from the decision SunTrust would make in underwriting the same assets when extending an asset-based loan instead of funding through the conduit. The bank is exposed to the risk of default on those assets (to an extent much greater than 5% of the credit risk), due to the existence of the program wide letters of credit and liquidity facilities.

It is with these factors in mind that we are writing you to endorse the proposed changes to the ABCP conduit portions of the Proposed Regulations set forth in the comment letter submitted by the American Securitization Forum (the "ASF") to the Joint Regulators on June 10, 2011<sup>1</sup>. Specifically, we strongly concur with the following four significant sets of issues raised by the ASF comment letter:

1. For the reasons noted above, unfunded risk retention in the form of irrevocable letters of credit and similar credit facilities provided by sponsor banks should be allowed as a permitted form of risk retention. The substantial credit risk absorbed by these facilities assures the sound underwriting of securitization transactions that the Proposed Regulations seek to promote. This would be consistent with the treatment of unfunded program support facilities under the Committee of European Bank Supervisors guidelines to Article 122A of the Capital Directive of the European Union, which became effective for new securitization transactions on January 1, 2011.

2. For conduit sponsors that will rely on the originator-seller risk retention option set forth in the Proposed Regulations, disclosure of originator-seller names is not necessary and will have a harmful effect on the willingness of many asset originators and investors to participate in this important market. SunTrust can attest from its own experience that investors ask for and receive the information they want and need with respect to the operations, support facilities, and assets of ABCP conduits.

3. A conduit sponsor's duty to monitor originator-seller compliance with required risk retention must be limited to including representations and warranties and covenants in transaction documents requiring such compliance. It is impossible for a conduit sponsor to assure that an originator-seller will in fact comply with these requirements. Failure of an originator-seller to do so where a sponsor has taken appropriate actions to require such compliance should not mean that the sponsor is no longer itself in compliance with the risk retention rule.

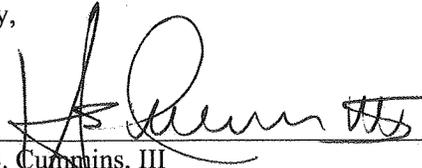
4. Technical changes must be made for the Proposed Regulations to work for the existing portions of the market that the Joint Regulators have indicated that they do not wish to disrupt. The ASF letter outlines these necessary changes in detail.

SunTrust appreciates the opportunity to comment on the Proposed Regulations. Should you wish to discuss any of the matters discussed in this letter, please contact me.

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<sup>1</sup> ASF's June 10, 2011 comment letter to the Joint Regulators available at:  
[http://www.americansecuritization.com/uploadedFiles/ASF\\_Risk\\_Retention\\_Comment\\_Letter.pdf](http://www.americansecuritization.com/uploadedFiles/ASF_Risk_Retention_Comment_Letter.pdf)

Sincerely,

A handwritten signature in black ink, appearing to read "H. Cummins III", written over a horizontal line.

Hugh S. Cummins, III  
Corporate Executive Vice President