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March 26, 2007

Via E-mail

Jennifer J. Johnson, Esq.
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, D.C. 20551
Attention: Docket No. R-1274

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090
Attention: File Nos. S7-22-06, S7-23-06

Re: Release No. 34-54946 (File No. S7-22-06): Regulation R;
Release No. 34-54947 (File No. S7-23-06)

Ladies and Gentlemen:

The member banks of The Clearing House Association L.L.C. (“The Clearing House”) are in the process of completing our comment letter on Regulation R, the proposed rules interpreting the terms of the exceptions for banks from the definition of the term “broker” in Section 3(a)(4) of the Securities Exchange Act of 1934, as amended by the Gramm-Leach-Bliley Act of 1999 (“GLBA”). Regulation R was proposed by the Board of Governors of the Federal Reserve System (the “Board”) and the Securities and Exchange Commission (the “Commission”, together with the Board, the “Agencies”) and published in the Federal Register on December 26, 2006. We are also finalizing our comments on the Commission’s related proposal to exempt banks, under certain conditions, from the definition of dealer under Section 3(a)(5) of the Securities Exchange Act of 1934 (the “Dealer Proposal”).

Our member banks believe that Regulation R and the Dealer Proposal will dramatically affect the business operations of banks and that they represent a significant evolution from Regulation B, proposed in mid-2004. We and our member banks have spent considerable time analyzing the issues raised by Regulation R and the Dealer Proposal and carefully assessing the impact they will have on banks' traditional activities.

The Clearing House intends to file a comment letter to provide the Agencies with our carefully considered comments on Regulation R and the Dealer Proposal. Because of Regulation R's complexity, however, we and our member banks are still considering the issues we have identified in the Regulation R proposal and related issues in the Dealer Proposal. Unfortunately, therefore, we need more time to complete our consideration of these issues. We apologize for not meeting the deadline the Agencies have set and expect to submit our comments no later than Friday, March 30, 2007. The Clearing House respectfully requests that the Agencies consider the comments regarding Regulation R, and the Commission our comment regarding the Dealer Proposal, notwithstanding our letter's arrival after the deadlines.

Sincerely yours,

A handwritten signature in black ink, reading "Norman R. Nelson". The signature is written in a cursive style with a large initial "N".