



January 10, 2008

Office of Thrift Supervision

VIA Federal eRulemaking Portal

**Re: OTS-2007-0023 - Proposal to convert from TFR to Call Report**

Dear Sir or Madam:

Sovereign Bank appreciates the opportunity to submit our comments on the Office of Thrift Supervision (OTS) advanced notice of proposed rulemaking (ANPR) published in the Federal Register on November 14, 2007, proposing the conversion from a quarterly Thrift Financial Report (TFR) to a quarterly Call Report.

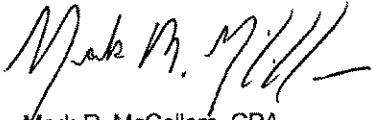
We believe that the quarterly TFR process is a well defined process that has been very effective for thrifts and the OTS and has served us well for many years. However, we believe that the conversion proposal will ultimately result in an improvement in regulatory reporting. We understand and support the OTS goal of enhancing the usefulness of financial reporting and more closely aligning the reporting with other federal banking agencies. We share the views expressed by the OTS that aligning the reporting will result in numerous benefits including:

- Thrift institutions would be able to compare themselves more easily to commercial banks. Peer group financial analyses would be enhanced due to the larger number of comparable institutions.
- Conversion could lower the overall cost of filing quarterly financial data. The Call Report is well supported by service providers, professional filing software, and a large pool of expert personnel who know how to file the report.
- Call Report financial data, including the public version of the Uniform Bank Performance Report (UBPR), are readily available on the FDIC website.
- Investment analysts could use the UBPR for both banks and thrifts.

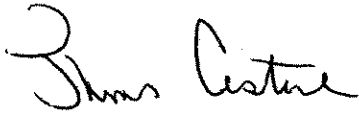
Like most banks, Sovereign has spent significant time, effort and resources to build its internal people, processes and systems to support an effective regulatory reporting function. We have developed well defined policies and procedures over the years that we believe work well and enable us to provide the OTS with all the data required for the TFR in a timely and accurate fashion. Converting our internal processes and systems as well as re-training staff for reporting disclosures required in the Call Report will involve a substantial amount of effort and cost. We believe it is critical that the proposal, if adopted, support an effective date that provides for a sufficient period of time until the conversion would be required (12 to 18 months after the proposal is adopted). We believe that this will allow all banking institutions sufficient time to implement the required changes to systems, processes, policies and procedures. It will also allow us to re-train our regulatory reporting teams.

We appreciate the opportunity to provide input on the conversion proposal which we support and hope that our concerns will be considered.

Sincerely,

Handwritten signature of Mark R. McCollom in black ink.

Mark R. McCollom, CPA  
Chief Financial Officer  
Sovereign Bancorp

Handwritten signature of Thomas Cestare in black ink.

Thomas Cestare, CPA  
Chief Accounting Officer  
Sovereign Bank