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July 21, 2000

Communications Division
Office of the Comptroller of the Currency
250 E Street, SW
Washington, DC 20219
Attn: Docket No. 00-11

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th and C Streets, NW
Washington, DC 20551
Attn: Docket No. R-1069

Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corporation
550 17 Street, NW
Washington, DC 20429
Attn: Comments/OES

Manager, Dissemination Branch,
Information Management & Services Division
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552
Attn: Docket No. 2000-44

RE: Proposed Regulations Regarding Disclosure and Reporting of CRA-Related Agreements

Dear Sir/Madam:

ABN AMRO North America, Inc. (AANA) appreciates the opportunity to provide comment on the proposed rules implementing certain provisions of the Financial Modernization Act. These provisions (the Sunshine Rules) require nongovernmental entities or persons (NGE's), insured depository institutions, and affiliates of insured depository institutions, to publicly disclose and report certain agreements made in fulfillment of the Community Reinvestment Act (CRA) of 1977. This letter is written on behalf of all AANA entities that are subject to the provisions of the Community Reinvestment Act.

AANA is a subsidiary of ABN AMRO Bank N.V. (Bank) which is headquartered in Amsterdam, the Netherlands. As of December 31, 1999, the Bank had over $460 billion in assets, approximately 105,000 employees, and a network of approximately 3,590 locations in 76

countries and territories. The Bank maintains 10 Branch or Representative offices in the United States. In addition, ABN AMRO Incorporated, an investment banking, brokerage and securities firm, headquartered in Chicago, Illinois is a subsidiary of the Bank.

AANA is the holding company for the U.S. operations of Bank and is also headquartered in Chicago. AANA is among the largest foreign bank holding companies in North America with $167 billion in assets and more than 19,000 employees. The U.S. operations of Bank include, but are not limited to, LaSalle Bank National Association located in Chicago; Standard Federal Bank, a federal savings bank, located in Troy, Michigan; and European American Bank, a state member bank located in Uniondale, New York. These banks maintain approximately 390 offices in Illinois, Michigan, Indiana, Ohio and New York.

We recognize the difficult task you faced in drafting the proposed rule on this complicated matter. We commend your outstanding effort and appreciate the opportunity extended to us to comment. The following suggestions are offered in hope of bringing greater clarity to the rules and increased simplicity in the disclosure and reporting requirements.

1. Exemption for agreements which are transacted in the normal course of business

We believe that in order to achieve the purpose of the disclosure provision in the law, a clear distinction must be made between those agreements which have as their primary and direct purpose to advance the goals of the Community Reinvestment Act, and those agreements that are entered into in the normal course of business, whether or not a CRA purpose may directly or indirectly be affected. Such normal course of business exemptions should include: a) transactions initiated by an insured depository institution, b) service agreements between an insured depository institution and consultants, attorneys, sellers of CRA products and services, c) insured depository institution relationships with standard business partners with which it may have both CRA and non-CRA dealings, such as Fannie Mae, Freddie Mac, PMI, and the Federal Home Loan Banks. One way to achieve this differentiation would be to require in a covered written CRA agreement a specific statement of the consideration given by each party to the agreement.

2. Other Exclusions/Exemptions

- Community Development Financial Institutions (CDFI). Federally chartered public corporations that receive federal funds appropriated specifically for that corporation are excluded from the definition of nongovernmental entity or person. All CDFI's are certified as such by the Treasury Department, and because of the nature of their activities should by extension also be excluded from coverage.
- Lending or Investment Agreements which include public funding. Many creative or innovative loan and investment arrangements are put together with the participation of multiple parties, frequently including governmental agencies at the federal, state, and local levels, together with depository institutions and NGE's. Federal agency support, through programs confirmed by Congress, underscore the public benefit of such projects. The public support, complex nature, and multi-party participation in these projects should make them exempt from disclosure and reporting requirements.

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3. Privacy Concerns and Proprietary Data

The very nature of the CRA agreement suggests that some benefit is made available by a depository institution or affiliate which exceeds what would be contained in a routine business arrangement. Whether this involves grant funds, interest rate reductions, underwriting flexibility, or any number of other possible concessions, should be a matter of confidentiality between the depository institution or affiliate and the non governmental agency party to the agreement. Every agreement is arrived at based on the unique requirements and situation of the parties involved and should not be put forth as a standard for other agreements. What is effective and beneficial in one situation may not be so in another. Fairness to depository institutions engaged in a highly competitive industry and to non governmental agencies entitled to privacy protections require that every effort be made to limit disclosure to the extent consistent with the law.

4. Disclosure and Annual Reporting

A single report of a covered agreement should be sufficient to meet the purposes of the act. Annual reporting is redundant and adds to the administrative burden of compliance.

5. Additional Points for Consideration

- A contact should not be considered a "CRA contact" for purposes of coverage simply because an NGE discusses with an insured depository institution whether certain types of loans, services, or investments are generally eligible for CRA consideration under the regulations.
- When a request is made to waive the disclosure requirement due to proprietary information and confidentiality, an insured depository institution should not be required to release the text of an agreement until a final determination is made by the agency.
- Add examples of CRA contact exemptions where application of more than one rule is involved, such as where there is CRA contact but the agreed upon loan is exempted from coverage.
- The Sunshine Rules, involving record-keeping, disclosure, and reporting should not be incorporated into the CRA regulation. Such inclusion could contribute to confusion on the part of the public as to the true scope and purpose of the CRA.

We appreciate the opportunity afforded to us to comment on the proposed rule, and hope that these comments will contribute to the creation of a final rule which will reach the goals you set out to achieve, and at the same time avoid undue burden, excessive costs, and disruption of CRA business.

Sincerely,

Gary S. Washington
Senior Vice President