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July 5, 2000

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

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

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

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

Respectfully submitted to the above named Agencies:

In response to the interagency proposed rule dated May 19, 2000, regarding the disclosure of CRA-related agreements pursuant to the Gramm-Leach-Bliley Act (GLB), we commend the Agencies in their efforts to draft a regulation that aims to minimize burden on any affected parties within the context of the GLB. However, there are provisions that we believe require clarification in a final regulation to ensure that all parties understand the scope of the regulation and to protect the confidentiality of our client files. We offer the following comments for your consideration.

The GLB and proposed regulation refer to covered agreements as those "made pursuant to, or in fulfillment of the CRA." The term "fulfillment" is defined in the proposal to include the list of factors the Agencies will use when deciding to approve or disapprove various applications, and the factors evaluated when assigning a CRA rating to a financial institution. We agree with this definition and strongly object to a broader definition. However, for clarification purposes, we ask that the Agencies include language that will specifically exempt the disclosure of any information regarding the nature or specifics of the analytical tools or services used by institutions. This exemption would cover not only the terms and costs paid by institutions for consultant services or outsourced analyses, but would also cover the licensing and in-house use of analytical tools such as PCi's CRA Wiz software. This exemption should preclude disclosure of any licensing or agreement terms by either the client institution or the subject company.

The rationale behind our proposed exemption is logical and familiar to the Agencies. The existence of analytical tools and an institution's internal use of such tools are process-based considerations. Process-based assessment factors were specifically removed from the regulation and examination process when the new CRA regulations were issued in 1995. Whether an institution uses our software, or other analysis tools such as consultant or legal services from other providers, and the nature of their agreements are not factors considered by examiners for rating purposes, therefore not in "fulfillment" of the CRA. A broad definition of the term "fulfillment" may inadvertently reintroduce process-based criteria into the CRA process by inferring that an institution's use of analysis tools or services have a bearing on a CRA rating or application determination. We strongly urge the Agencies to consider the ramifications of reintroducing such process-based considerations into the CRA through the GLB.

In addition to arguments against disclosure based on "process," section 711 of the GLB and the proposed regulation recognize the need to minimize burden and the need to ensure that "proprietary and confidential information is protected." If companies such as ours are required to divulge the terms of our software agreements, this language is meaningless. Applying disclosure provisions to our company will cause irreparable harm and damage the competitive marketplace in which we and our clients operate. Under a broad interpretation of the GLB, we and our clients would be required to disclose not only our client relationships, but specifics as to the individual datasets they licensed and their associated costs. Many institutions use our software not only for CRA analysis purposes, but for marketing purposes as well. Institutions may license marketing-related datasets for which the pricing depends on several factors, one of which is the nature of the geographic area requested. Our datasets provides institutions with information they use to strategically place themselves in their markets. Disclosure of which software datasets our clients

license and the specific geographic areas they cover, will damage the competitive advantages they seek and hold.

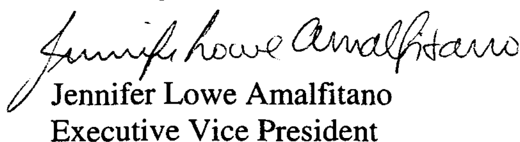
We strongly believe that the terms of our license agreements should remain confidential and that service providing industries, such as ours, should not be swept up in the proposed regulation. Many businesses provide CRA-related services to institutions and a broader definition of "fulfillment" will have a chilling effect on the services they provide. To protect confidential information the Agencies do provide a form of relief through FOIA provisions, but we do not feel such provisions satisfactorily protecting our interests, or those of our clients. We propose that the Agencies adopt the following language in the final regulation at §__.2(b):

Agreements that are not covered agreements. Covered agreements made in fulfillment of the CRA do not include agreements related to the licensing, procurement, or use of analytical tools or services provided by, but not limited to, software companies, consulting firms, or law firms. Process-based factors are no longer considered by the Agencies during CRA examinations or application reviews. Whether institutions avail themselves of analysis or software tools, and the specifics regarding their nature are process-based factors that do not bear on an institution's CRA rating or the disposition of applications for deposit facilities. Since disclosure of proprietary information would place these institutions and their service providers at competitive disadvantage, such agreements between institutions and these parties shall be exempt from disclosure and remain confidential.

In response to the Agencies' question regarding placement of the final rule, we support keeping the new regulation separate and distinct from the current CRA regulation. To incorporate the GLB section 711 language into the CRA regulation will give the appearance that section 711 does have a bearing on the examination process and ratings. Similar to the Agencies' decision to distinguish fair lending from CRA, it will be more meaningful to maintain separate regulations. The new regulation should stand alone and cross-reference the applicable CRA provisions.

If we can be of any further assistance, we are at your disposal.

Sincerely,



Jennifer Lowe Amalfitano
Executive Vice President