



Matthew B. Skurbe
Chief Financial Officer

Merrill Lynch Bank & Trust Co., FSB
4 World Financial Center
New York, NY 10080
Matthew_Skurbe@ml.com

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Information Collection Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, D.C. 20552

Re: Comment Letter: TFR Revisions – March 2007, OMB No. 1550-0023

Dear Sir or Madam:

Merrill Lynch Bank & Trust Co., FSB, an FDIC-insured federal savings bank (“MLBT-FSB”), and its parent savings and loan holding company, Merrill Lynch & Co., Inc. (“Merrill Lynch”), appreciate the opportunity to comment on the proposed changes to the Thrift Financial Report, 71 Fed. Reg. 43286 - 91 (July 31, 2006). These changes are proposed to be effective with the March 31, 2007 report.

MLBT-FSB and Merrill Lynch are commenting only on one of the proposed changes: that is, the proposal to eliminate the confidential treatment of the Schedule HC data. While we appreciate that the Office of Thrift Supervision (“OTS”) receives many requests for the data in the schedule, including from the rating agencies, we do not believe that the confidential treatment for the Schedule should be eliminated at this time.

As a general matter, companies with registered securities are already subject to extensive reporting and disclosure requirements mandated by the Securities and Exchange Commission pursuant to the Securities Act of 1934. While the OTS has legitimate supervisory needs to collect information such as that required in the Schedule HC from savings and loan holding companies, it may not have a similar obligation to release that information, other than on an aggregate basis, particularly when the release of that information, when compared to the information required to be disclosed under the securities laws, potentially could cause confusion.

Specifically, while much of the consolidated financial information required by Schedule HC would be included in the financial statements filed by public savings and loan holding companies with the SEC in either the Quarterly Report on Form 10-Q or the Annual Report on Form 10-K, the parent company only financial information required by the Schedule is not normally included in the Quarterly Reports on Form 10-Q. Parent company only financial statements are only included in Annual Reports on Form 10-K, and those statements only present annual, not quarterly information. Thus, quarterly parent company only information is not normally available to the public, and we see no reason to have it released on an individual company basis by a limited subset of publicly traded companies without a more substantive reason for releasing it than the OTS has articulated in the Proposal.

Furthermore, the responses to the Supplemental Questions are very summary and do not permit any context or explanation. Thus, while a number of the matters addressed in the Schedule would need to be disclosed by public savings and loan holding companies in their periodic SEC reports or Current Reports on

Form 8-K, they would be accompanied by disclosure of all the specific information required by the SEC rules and all other material facts relating to the matter, so that the matter would be given some context. It would potentially be confusing to investors to have detailed disclosure of a matter in a SEC-required filing, with the same matter addressed in a simple “yes/no” format of the Schedule with no further detail. If the holding company were privately held, there would be no other disclosure of this information other than in the Schedule HC - a result that could be very confusing and misleading without further context.¹

In addition, some of the definitions in Schedule HC are different than similar definitions applied in the SEC reporting context. For example, the term “significant subsidiary” in Schedule HC is defined as 5% of certain financial attributes, while that same term in SEC Regulation S-X is defined as 10% of certain other financial attributes. These different definitions of the same term have the potential to lead to confusion and unexplained disclosure. For example, a public savings and loan holding company could be required to answer “yes” to the first Supplemental Question on Schedule HC in circumstances where it would not be required to disclose anything about the matter in its SEC periodic reports. Furthermore, there would be no explanation or context for the difference in treatment - leading to potential confusion to investors and others.

Indeed, it appears from the format of, and instructions to, the Schedule HC that the Schedule was not designed to be a public disclosure document about an individual savings and loan holding company, but rather a form to collect aggregate data about the characteristics of, and trends relating to, all savings and loan holding companies. The instructions to the Schedule HC indicate that the aggregate data is made public, and the “yes/no” format of much of the form may be very useful to collect and disclose such aggregate data. When there is already a source of more detailed disclosure (particularly for public companies), it would seem that release of such incomplete and somewhat cryptic information on an individual company basis could end up being misleading. Any individual that desires this information can continue to request the OTS to release the Schedule on an individual basis.

MLBT-FSB and Merrill Lynch trust that these comments are useful. If you have any questions or would like to discuss our comments with you in further detail, please contact the undersigned at 609-282-2559.

Sincerely,



Matthew B. Skurbe

cc: Judith Witterschein,
Corporate Secretary, Merrill Lynch

¹ While parent company only financial data of large bank holding companies collected by the Federal Reserve Board on Form FR Y-9LP may be released by the Board “upon request on an individual basis” (*see* Instructions for Preparation of Reporting Form FRY-9LP, June 2006), that data is limited to financial information, as the FR Y-9LP form does not contain any of the Supplemental Questions listed in the Schedule HC.