



May 21, 2007

Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, D.C. 20552

Attention: OTS 2007-0005

Re: Model Privacy Notice

Dear Sirs and Madams:

Thank you for this opportunity to comment on the proposed Model Privacy Notice.

While the intention of the privacy notices is to inform customers of an institution's privacy policy and procedures, the complexity and variation of the forms is such that the majority of customers find them confusing, if they read them at all. Standardization of the privacy notices is a step in the right direction to deliver useful information to our customers, in language they can understand, and in a format that enables them to make comparisons between companies. Because we so strongly believe this is true, our 2006-2007 privacy notice was revised according to the suggestions made in the "Evolution of a Prototype Financial Privacy Notice" of March 2006, even though there was no mandate to do so. A copy is enclosed for your review.

Content of the Model Privacy Notice

With two exceptions, we have found the content of the Model Privacy Notice to be acceptable.

- ◆ The first concern we have is with the requirements imposed on institutions by individual states in the handling of their constituents' information. The Model Privacy Notice does not allow for additional verbiage as required by these states. In order to comply with state requirements, financial institutions will have to issue multiple privacy notices, producing short runs that will drive up costs.

RECOMMENDATION

Allow an area for specific state information to be included as part of the Model Privacy Notice, within the guidelines set forth by the Agencies.

- ◆ Our second concern is the inability to incorporate the Model Privacy Notice into any other document. While this is not our usual practice, we have in the past, when converting another bank's customers through an acquisition, included the privacy notice in a booklet with all other required disclosures as part of the customers' welcome packet. It is our opinion that new customers would prefer the format of a reference guide as opposed to a stack of single documents. Cost would not be an issue here, but rather the inconvenience to the customer.

Format of the Model Privacy Notice

- ◆ The proposed single-page format, in our case, will triple the paper cost, from a single sheet to three pages. Individual pages could also create a quality control issue, as one or more pages could be misplaced or deleted. At a time when the use of natural resources and global warming are at the forefront of discussions, it seems that this requirement may cause a backlash of negative sentiment.
- ◆ The size requirement of 8 ½ x 11 inches will add substantial postage cost because the majority of our notices are currently included in monthly statement mailings, and this size is outside the acceptable dimensions for statement insertion.

As an example, in 2006, our postage expense for non-statement customers, including envelopes, was \$217,685. If required to use the size specified, therefore eliminating statement insertion, our postage/envelope expense would have been \$832,863 based on last year's numbers, an increase of 283%. This number doesn't include the additional paper costs.

- ◆ We believe the printing and size requirements will impose a heavy financial burden on each institution that far outweighs any incidental benefit to the customer.

RECOMMENDATION

In order to allow institutions to take advantage of their monthly statements as a vehicle for distribution of the privacy notice, the paper size will have to be somewhat flexible - in our case, 7" x 10.812", with a folded size no larger than 7" x 3.625".

Model Privacy Notice
Page Three

- ◆ The use of a logo is important both to the financial institution for branding purposes, and to the consumer as an easily identifiable symbol. As you will see from the notice we provided, our logo was used on both sides of the form, in a manner that in no way distracts from its content.

Additional Information

- ◆ We would be very much in favor of an Agency provided form with "fillable" fields. Any annual updates could easily be inserted in the pre-approved Model Privacy Notice by participating institutions.

Thank you for your attention and for the opportunity to comment.

Respectfully,

A handwritten signature in cursive script, appearing to read "Carol S. Pockrus".

Carol S. Pockrus, SVP
Chief Privacy Officer

Privacy Information



Effective September 30, 2006

About Sovereign Bancorp, Inc.

This Privacy Statement is effective September 30, 2006, and takes the place of any previous privacy policies issued by Sovereign Bancorp, Inc., or any of its affiliates/subsidiaries or divisions.

Sovereign Bancorp, Inc.'s affiliates/subsidiaries include, but are not limited to:
Sovereign Bank®

✧ Divisions of Sovereign Bank include, but are not limited to: Nantucket Bank • Bank of Martha's Vineyard • SI Bank & Trust
Sovereign Agency, LLC

Sovereign Agency Massachusetts, LLC

Sovereign Securities Corporation, LLC

Sovereign Precious Metals, LLC

1130 Abstract, Inc.

The terms "we," "our" and "us" in this Privacy Statement refer to Sovereign and/or its banking and other affiliates/subsidiaries.

What does Sovereign do with your personal information?

WHY?

Financial companies choose how they share your personal information. Federal law gives consumers the right to restrict some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.

WHAT?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- ✧ Social security number and income
- ✧ Account balances and payment history
- ✧ Credit history and credit scores

When you close your account, we continue to share information about you for as long as your information remains in our computer system.

NOTE: We may disclose all the kinds of information described in this section to companies we hire to perform marketing services on our behalf, or to other financial institutions with which we have joint marketing agreements, such as insurance companies and brokerage firms. We refer to these companies as "marketing partners." Please note that, should you decide to take advantage of such an offer from one of our marketing partners, you will become a customer of our marketing partner for that product offering, and will be covered by our marketing partner's privacy policy.

HOW?

All financial companies need to share customers' personal information to run their everyday business – to process transactions, maintain customer accounts, and report to credit bureaus. In the section below, we list reasons financial companies can share their customers' personal information; the information Sovereign chooses to share; and whether you can limit this sharing.

NOTE: If you select Sovereign's Wealth Management Division to act as a trustee or a fiduciary, information about your trust account(s) is safeguarded, even within our own family of companies. This information is kept completely confidential, and we will not share it for marketing or solicitation purposes without your specific consent.

Reasons we can share your personal information	Does Sovereign share?	Can you limit this sharing?
For our everyday business purposes – to process your transactions, maintain your account, and report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No*
For joint marketing with other financial companies	Yes	No*
For our affiliates' everyday business purposes – information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes – information about your creditworthiness	Yes	Yes
For nonaffiliates to market non-financial institutions' products or services to you	No	n/a

* Although the sharing of this information cannot be limited, you may let us know whether or not you wish to be contacted for marketing purposes (see Your Preferences).

SPECIAL NOTICE FOR CALIFORNIA AND VERMONT RESIDENTS: If your account has a California mailing address, we will not market any products or services to you, nor will we share your information with our marketing partners for them to market to you. If your account has a Vermont mailing address, we will share with our marketing partners only that information that is permitted by law. Residents of California and Vermont do not have to take any further action to limit the sharing of information; such limits are already in place.

Sharing Practices

How often does Sovereign notify me about their practices?

We must notify you about our sharing practices when you open an account, and each year while you are a customer.

How does Sovereign protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards, secured files and buildings, and limited access to your information by employees with a need to know to perform their job function.

How does Sovereign collect my personal information?

We collect your personal information, for example, when you

- ✦ Open an account or deposit money
- ✦ Pay your bills or apply for a loan
- ✦ Use your credit or debit card

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

For online banking customers, we may use cookies, which are pieces of data that help web sites recognize return visitors, to personalize and enrich your online visits with us and to collect site visitation statistics. Sovereign or its service providers may also use tracer technology, which are third-party cookies. If you are uncomfortable with our use of cookie technology, you can set your browser to refuse cookies. However, some of our services depend on cookies and you may not be able to use those services by refusing cookies.

Why can't I limit all sharing?

Federal law gives you the right to limit sharing only for

- ✦ Affiliates to market to you
- ✦ Nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

NOTE: We may share certain customer information with government and consumer reporting agencies as permitted or required by such laws as the Federal Right to Financial Privacy Act. These disclosures are usually made for your benefit and for specific circumstances, for example, verifying identities to reduce fraud and identity theft or for prompt credit approval or as required by law, such as in response to a subpoena or court order.

Definitions

Everyday business purposes

The actions necessary by financial companies to run their business and manage customer accounts, such as

- ✦ Processing transactions, mailing, and auditing services
- ✦ Providing information to credit bureaus
- ✦ Responding to court orders and legal investigations

Affiliates/Subsidiaries

Companies related by common ownership or control. They can be financial and non-financial companies.

Nonaffiliates

Companies not related by common ownership or control. They can be financial and non-financial companies. We do not share customer information with nonaffiliated companies except as permitted by law.

Joint marketing

A formal agreement between nonaffiliated financial companies that jointly offer or endorse financial products or services to you. Our joint marketing partners include credit card and insurance companies. The formal agreement includes assurances by the marketing partner that they will maintain the appropriate safeguards to ensure the security and confidentiality of the information we provide to them, and that the information may only be used within the confines of the stated agreement.

Your Preferences

How to contact us:

✦ By telephone: 1-877-SOV-BANK
(1-877-768-2265)

Nantucket Bank customers: 1-800-533-9313

Hearing impaired TTD/TTY: 1-800-428-9121

✦ On the web:

www.sovereignbank.com/companyinfo/privacy

✦ Visit one of our Community Banking Offices

✦ Write to us using the form below

NOTE: If you have already contacted Sovereign with your marketing preferences, or your preference with regard to sharing information about your creditworthiness, it is not necessary to do so again, unless you wish to change your preferences. Your preferences will remain in force until you change it by writing to Sovereign at the address below, or by e-mailing our online preference management system. It will be honored even if you close your account, for as long as your information remains in our computer system. Your e-mail preference will apply only to the e-mail address(es) we have on record for you. Your telephone preference will apply only to the telephone number we have on record for you.

 **Sovereign Bancorp™**

 Member FDIC

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Mail-in Form

CHECK ANY/ALL YOU WANT TO LIMIT:

- Do not solicit me by direct mail for marketing purposes
- Do not solicit me by telemarketing for marketing purposes
- Do not solicit me by e-mail for marketing purposes
- Do not share information about my creditworthiness with your affiliates for their normal business purposes

Your Name _____

Your Address _____

Account Number _____

Your Telephone Number _____ Your E-mail Address _____

MAIL TO: Sovereign Bank c/o Marketing Preferences Department, 10-421-BC4, P. O. Box 12646, Reading, PA 19612