



GE Capital Services, Inc.

3135 Easton Turnpike
Fairfield, CT 06828
USA

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552

Attention: OTS—2007—0009

Dear Sir or Madam:

General Electric Capital Services, Inc., (GECS), welcomes this opportunity to comment on proposed changes to the supervisory rating system used by the Office of Thrift Supervision (OTS) to evaluate savings and loan holding companies. GECS is a savings and loan holding company by virtue of its ownership of GE Money Bank, Salt Lake City, UT.

GECS commends the OTS for recognizing the need to update the current CORE system to better reflect the supervisory processes that OTS is in practice utilizing in its oversight of savings and loan holding companies. GECS does recommend that the OTS amend its proposal before finalizing it in order to clarify 2 of the rating components.

As GECS understands the OTS draft, the proposed “organizational structure” element of the CORE rating is intended in part to reflect an evaluation of a holding company’s organizational structure and operations. As part of evaluating the organizational structure, the OTS states that it will assess the risks in the holding company enterprise, particularly 13 identified risk categories.

The proposed “risk management” element of the CORE rating is intended to reflect an evaluation of a holding company’s ability to identify, measure, monitor, and control risk. As part of assessing this element, OTS will review, among other things, the adequacy of the general capabilities of management and the adequacy of internal controls and internal audit, including the independence of control areas.

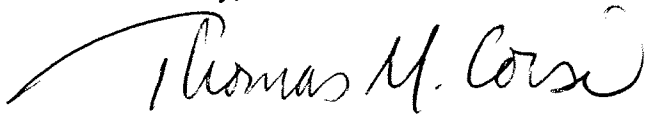
While there will be some overlap in the elements assessed under the “O” and “R” portions of the rating, GECS believes that the proposed framework could be enhanced by clarifying how the interplay between the inherent risks identified in the O component, and risk management and controls in the R component connect to form an assessment of

the holding company's residual risk. For example, under its proposal OTS would identify risks faced by a holding company under the O element but then separately evaluate the company's ability to manage those risks under the R element. GECS submits that those two areas should be linked. In other words, evaluation of the risks faced by a holding company would be more meaningful if done in the context of the holding company's ability to manage those risks.

Similarly, OTS proposes to assess organizational structure under the O element but evaluate things like governance, the general capabilities of management, internal controls, internal audit, and control area independence under the R element. GECS submits that an evaluation of these items should be linked with an assessment of the organizational structure.

Again, GECS appreciates the opportunity to comment on the changes proposed by the OTS. Should anyone have any questions about this letter, please contact me at (203) 357-4056.

Sincerely,

A handwritten signature in black ink that reads "Thomas M. Corsi". The signature is written in a cursive style with a large, sweeping initial "T" that extends to the left.

Thomas M. Corsi
Managing Director, Banking Regulatory Affairs