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Northern Trust

Legal Department

18

July 19, 2004

Communications Division
Public Information Rm., Mailstop 1-5
Office of the Comptroller
Of the Currency
250 E Street, S.W.
Washington, DC 20219
Attn: Docket Number 04-12

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, DC 20552
Attention No. 2004-27

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the
Federal Reserve System
20th Street and Constitution Ave., N.W.
Washington, DC 20551
Docket No. OP-1189

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429
Attn: Comments/Exec. Secretary Section

Jonathan G. Katz
Securities and Exchange Commission
450 5th Street, N.W.
Washington, DC 20549
File Number S7-22-04

Re: ***Proposed Interagency Statement on Sound Practices Regarding Complex Structured Finance Activities (69 Fed. Reg. 28980 (May 19, 2004))***

Dear Sir or Madam:

We appreciate the opportunity to comment to the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the Securities and Exchange Commission (collectively, the "Agencies") on the Interagency Statement on Sound Practices Concerning Complex Structured Finance Activities, 69 Fed. Reg. 28980 (the "Guidance"). Northern Trust Corporation ("Northern Trust") is a multi-bank holding company with its headquarters in Chicago, Illinois, USA, a growing network of offices in 12 U.S. states, international offices in six countries and over 8,000 employees worldwide. Northern Trust had assets totaling approximately \$41 billion and trust assets under administration totaling \$2.3 trillion as of December 31, 2003.

We commend the efforts of the Agencies to provide guidance with respect to policies, procedures and practices that can help financial institutions mitigate the risks associated with complex structured finance transactions ("CSFTs"). Northern Trust is a member company of the Financial Services Roundtable (the "Roundtable") and strongly supports all of the comments and recommendations made by the Roundtable in its letter to the Agencies dated July 19, 2004. Northern Trust offers the following additional comment in an effort to ensure that the underlying goals of the Agencies are satisfied without imposing undue burden on financial institutions.

July 19, 2003
Page Two

The Guidance fails to distinguish among the various roles financial institutions play in a complex structured finance transaction and the varying degrees of access to information associated with each such role

Financial institutions play numerous roles in a CSFT. In each role there are varying degrees of responsibilities and obligations assumed by the financial institutions and such responsibilities and obligations are governed by established bodies of law and regulation. Each such role entitles financial institutions to varying degrees of access to information concerning the counterparty's undertaking of a particular transaction. When a customer retains a financial institution to undertake an advisory or other fiduciary role with respect to a transaction, the financial institution may assume significant responsibilities and affirmative duties and, as a result, have greater access to information concerning the customer's tax, regulatory and accounting treatment of the particular transaction. When a financial institution plays a more limited role, for example a financial institution that is a member of a larger group of financial institutions to which the transaction has been syndicated, the financial institution has limited access to information concerning the counterparty's undertaking of the transaction and is simply evaluating information provided to it. The Guidance imposes on financial institutions obligations and responsibilities without regard to the financial institution's role in the transaction and consequent ability to obtain access to information concerning the counterparty's tax, regulatory and accounting treatment of the transaction. The imposition of such additional obligations and responsibilities will create significant unintended negative consequences for financial institutions.

We recommend that the Agencies clearly state that they do not intend the Guidance to impose responsibilities and obligations on financial institutions beyond the responsibilities and obligations imposed by existing law, including any responsibility or obligation to obtain tax, regulatory and accounting information about a particular transaction that is not typically available to financial institutions in the particular role it plays with the responsibilities and obligations it assumes. In addition, Northern Trust urges the Agencies to carefully consider the comments and recommendations made by the Roundtable and other constituents before issuing the final Guidance.

Northern Trust appreciates the opportunity to present its comments on such an important proposal, and we thank you for considering our views. If you have any questions or comments on this letter, please feel free to contact me at (312) 557-1865.

Respectfully submitted,


Jennifer M. Dirkin

JMD:jmd