

August 18, 2008

Jennifer J. Johnson
Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

RE: Fair Credit Reporting Risk-Based Pricing Regulations
Regulation V; Docket No. R-1316
12 CFR Part 222

Dear Ms. Johnson:

Wachovia Corporation and its subsidiaries, including Wachovia Bank, National Association and Wachovia Mortgage, FSB (collectively referred to herein as "Wachovia"), appreciate the opportunity to comment on the notice of proposed rulemaking under the Fair and Accurate Transactions Act of 2003 ("FACT Act") Risk-Based Pricing Rule (the "Proposed Rule").

Wachovia commends the Board of Governors of the Federal Reserve System and the Federal Trade Commission (the "Agencies") for the deliberate and pragmatic approach they have taken in considering and implementing the risk-based pricing provisions of Section 311 of the FACT Act. We offer the following comments on the Proposed Rule:

- 1. Credit Score Disclosure Exceptions:** We strongly support the credit score disclosure exceptions ("Credit Score Disclosure") to the risk-based pricing notice requirements ("Risk-Based Pricing Notice") that the Agencies have provided in the Proposed Rule. As noted by the Agencies, we believe that the Credit Score Disclosure will provide consumers with equal or greater value than the more generic Risk-Based Pricing Notice. Moreover, the Credit Score Disclosure will be significantly easier for financial institutions to implement than the Risk-Based Pricing Notices. Finally, while relatively simple and straightforward regulatory solutions are always appreciated, this is particularly true in the current changing regulatory environment.

2. Business Credit Exception: The Proposed Rule applies to applications for or extensions or provisions of credit that are primarily for personal, household, or family purposes and specifies that it does not apply to business credit. Wachovia agrees with the Agencies that extensions or provisions of credit for business purposes should be excluded from any final risk-based pricing rule. This interpretation is consistent with the intent of the Fair Credit Reporting Act's (FCRA) risk-based pricing statutory provisions. In addition, we believe that any potential benefit of providing a risk-based pricing notice to business credit consumers is substantially outweighed by the operational costs of implementing such a provision.

3. High Net Worth Exception: The Agencies solicited comments on whether there should be an exception to the Risk-Based Pricing Notice for credit extended in connection with a private banking relationship available only to high net worth consumers. We recommend that extensions of credit to high net worth consumers ("High Net Worth Credit") be excluded from any notice or disclosure requirements in the final risk-based pricing rule.

While all banking is to some extent relationship based, "relationship banking" is most prevalent in the High Net Worth Credit segment. The financial needs of high net worth consumers are reviewed, fulfilled and serviced on a comprehensive, personal and customized basis. These financial relationships are extensive and complex. Access to, and pricing for, High Net Worth Credit is not typically based upon a credit score but rather upon the extent of that relationship, the type and complexity of the credit product involved, and the high net worth consumer's assets, liquidity and collateral. In addition, high net worth consumers tend to be financially sophisticated and to have both internal and external financial advisors assisting them, which gives them bargaining power to negotiate credit terms regardless of their credit score. For these reasons, high net worth consumers will find little or no value in a Risk Based Pricing Notice or Credit Score Disclosure.

As a result, we would suggest that all High Net Worth Credit, like business purpose credit, be excluded from any notice or disclosure requirements in the final risk-based pricing rule. In defining High Net Worth Credit, we suggest that credit extended to a consumer with a demonstrated net worth of at least \$1 million dollars be excluded from the requirements of the final rule. In the alternative, we suggest that the Agencies look to Regulation R and exclude credit to "[a] natural person who, either individually or with his or her spouse, has at least \$5 million in net worth excluding the primary residence and associated liabilities of the person and, if applicable, his or her spouse" from coverage.

4. Identity of Credit Bureaus: Because of inconsistent credit bureau information, many bank lines of business find it beneficial to obtain all three credit bureau reports in making the credit decision. Because each report may contribute to the decision, all credit bureaus will be disclosed consistent with the Fair Credit Reporting Act requirements (15 U.S.C. §1681m(h)(5)(B)). If the information from one bureau is predominating, the score from that bureau should be used in providing the notice. Often when the information in each bureau report is limited, a tri-merge process is used to blend all credit information together. We are uncertain which credit score is appropriate to use in this situation, and request clarification on this point.

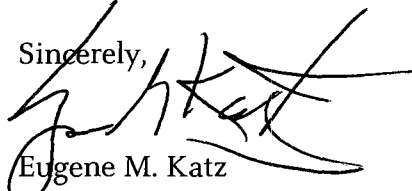
5. Original Creditor vs. Third Parties and Intermediaries: Wachovia supports the Agencies interpretation that the notice must be provided by the consumer's "original creditor" (the person to whom the obligation is initially payable). We request that the Agencies expressly provide in any final risk-based pricing rule confirmation that subsequent creditors are under no obligation to confirm, verify or obtain documentation indicating that the "original creditor" complied with the notice requirements.

6. Cosigners/Guarantors/Multiple Consumers: We suggest that the Agencies specifically address and clarify whether cosigners/guarantors are entitled to any of the notices/disclosures contemplated by the Proposed Rule and, if so, under what circumstances. We also request that the Agencies specifically address a multiple consumer transaction scenario and whether: (1) each consumer (and cosigner/guarantor if applicable) *must* be provided a separate notice/disclosure; (2) each consumer (and cosigner/guarantor if applicable) *may* be provided a separate notice/disclosure; and/or (3) all of the consumers (and cosigners/guarantors if applicable) *may* be provided with one notice/disclosure.

7. Systems Impact/Mandatory Compliance Date: Wachovia has at least nine application and origination systems that would be impacted by the Proposed Rule. As the Agencies are aware, financial institutions face an unprecedented number of upcoming regulatory compliance changes in addition to product changes and mandatory state law changes. These system changes place significant demands on our IT resources, which at this time are already assigned to and working on system changes/enhancements for the Spring of 2009. We request that the Agencies take these factors into account in setting any mandatory compliance date for the final rule.

We appreciate the opportunity to respond to the Proposed Rule. If you have any questions regarding this letter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Katz', written over the printed name.

Eugene M. Katz