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January 30, 2007

Via Overnight MailOffice of Exemption Determinations
Employee Benefits Security Administration
Room N-5700
Attn: Christopher Motta
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Re: IRA Investment Advice RFI

Dear Mr. Motta:

This letter is our initial response to Mr. Strasfeld's letter to Mr. Humann of SunTrust Banks, Inc. dated December 12, 2006 requesting our response regarding the IRA Investment Advice RFI initiative. As we discussed during our telephone conversation yesterday, this letter will not be a full response due to our in-house counsel tasked with preparing our response, Geoff Bujalski, being stricken with a serious illness from which he has not yet returned to work. We respectfully request an extended response deadline until February 23, 2007 to submit a complete response to the RFI.

Our abbreviated response follows. Although we utilize a variety of computer-based investment modeling tools in assisting our IRA holders in selecting investments for their accounts, we presently do not have in use and are not aware of a specific computer model investment advice program that contains all of the features described in the RFI.

We will provide a more comprehensive response as quickly as possible. Please confirm the requested extended submission date.

Sincerely,



/smc

From: Castle, Steve [Steve.Castle@SunTrust.com]
Sent: Thursday, February 22, 2007 3:23 PM
To: e-OED
Subject: SunTrust Response to IRA RFI

Attachments: IRA RFI Response.doc

Attached is our response to the IRA RFI as published in the Federal Register on December 4, 2006. By permission of Chris Motta, the deadline for our submission was extended to February 23, 2007.

<<IRA RFI Response.doc>>

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Seeing beyond money (am)

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[ST:XCL]

February 22, 2007

Office of Exemption Determinations
Employee Benefits Security Administration
Attn: IRA Investment Advice RFI
Room N-5700
U.S. Department of Labor
200 Constitution Avenue NW
Washington, D.C. 20210

To Whom It May Concern:

SunTrust Banks, Inc. is pleased to respond to the Request for Information concerning the feasibility of the application of computer model investment advice programs for Individual Retirement Accounts and similar types of plans. Our comments will correspond to the issue numbers of the RFI as published in the Federal Register on December 4, 2006.

A few general comments are necessary before addressing the specific items of the RFI. SunTrust offers IRAs to its customers through three primary business channels. The largest channel is through our SunTrust Investment Services, Inc. subsidiary, comprising approximately one-half of our IRA assets managed. The second channel is through our retail branch banks, representing approximately one-third of our IRA assets, and the remainder of our IRA assets are held in our Trust channel. Each of the business channels that offers IRA products may service different segments of customers, and the tools and calculators, and services offered to those customers depend in part on the size of the IRA, the investment services required, and the level of financial sophistication of the IRA customer. As a result, the online investment calculators and tools applicable to IRA accounts will vary depending upon the business channel.

SunTrust presently makes available to IRA customers of the bank a large number of calculators and investment planning tools through its internet address <http://www.suntrust.com>. Many of the calculators and tools are applicable to IRAs, although none were specifically developed for the sole purpose of servicing IRA customers. We encourage the DOL to visit our website and review the variety of calculators and tools we make available to IRA owners. As noted above, the business channel that maintains a particular IRA will determine the most appropriate online investment tools for their respective customers, but all channels offer both investment and planning tools that can assist IRA customers in managing or monitoring their IRA investments.

The following comments respond directly to the issues addressed in the RFI:

1(a) We make available an Asset Allocator that helps investors identify their current IRA asset allocation and with additional inputs, will suggest an enhanced allocation. We do

not presently have a single tool that meets all of the criteria identified in this item number. However, we do offer the following online IRA computer tools through our web site:

- The IRA Selector
- The Rollover Planner
- The Required Minimum Distribution Planner
- The Beneficiary Planner
- The Early Payout Planner
- IRA Conversion Planner
- Cool Million
- Investment Returns
- Which is Better For Me: A Traditional IRA or Roth IRA?
- What Are My Tax Savings to Fund A Roth IRA?
- What Are My Tax Savings to Fund a Traditional IRA?
- Should I Convert My Traditional IRA to a Roth IRA?

IRA related online investment tools include:

- Allocation Express
- How Can I Create a Balanced Investment Portfolio?
- Asset Allocator
- Investor Profile Quiz

We also have more sophisticated computer model investment tools that we use that are not specifically for IRAs. Our investment professionals and financial planners may use one or more these tools depending upon the customer circumstances and requirements:

- Forecaster Web
- Allocation Master
- Professional Web
- Wealth Master

1(b) The "Investor Profile Quiz" is an online tool that captures appropriate demographic information and helps an IRA investor to assess their risk profile.

1(c) None of our tools are designed to pre-select, favor, or display only proprietary products.

1(d) The Asset Allocator tool considers the full range of investment alternatives in determining an appropriate asset allocation for the IRA customer. The proposed allocation is merely a suggestion and the IRA owner may choose to ignore the results generated by the tool.

1(e) Our website offers investment education tools that explain investment fundamentals; we do not have an integrated computerized tool that will perform modeling, allocations,

and acquisition of investment data on an integrated basis, nor will it allow the user to directly initiate investment activity with his or her IRA.

2. Computerized investment modelers frequently fail to consider other investments owned by the user; the proposed model allocation may be inaccurate as a result of the model not having been populated fully or accurately by the user.
3. We do not presently have a single IRA calculator or tool that meets all of the requirements identified in item 1. We do have two more sophisticated tools, Forecaster Web and Professional Web, which are utilized by our investment professionals and financial planners in working with higher net worth individuals. These tools would be of limited value to an individual, small asset value IRA customer.
4. We presently offer self-directed IRAs that permit the beneficiary to invest in virtually any investment. However, the IRA investor must use the online investment account to initiate investment activity, and at the present time, the accounts are not linked to any specific modeler tools. At this time, we do not believe that it is necessary to have an all-in-one tool that links the IRA beneficiary investment activity capability directly to the results derived from employing the use of an investment modeler. For many of our customers, the IRA is only one of many investments, and may comprise only a small portion of an overall financial plan that considers many other factors, including investments not held in an IRA. For this type of IRA beneficiary, an IRA investment modeler with self-directed investment capability is likely of minimal use or need.
5. We believe all of the current IRA tools and calculators we offer ultimately limit the investments to a subset of the investment universe because not all investments are suitable for particular IRA investors, and higher net worth or more sophisticated IRA investors will demand a more customized solution for their investment needs. At the present time, none of our tools permit a user to modify the underlying model.
6. All of our IRA tools and models are suitable for use with non-proprietary investment choices, and the tools and models, and with the exception of tools employed by our professional investment advisors and financial planners, are available to all IRA beneficiaries.
7. The models we utilize focus on allowing the IRA investor to determine an appropriate asset allocation between equity investments and fixed income type investments based on the risk profile of the IRA investor. To the extent a user of any such tool or model fails to truthfully self-identify his or her characteristics that determine the risk profile, the model will result in an inaccurate recommendation for the IRA investor since it will be based on an inaccurate self-identified risk profile. As noted above, our models do not link to specific asset recommendations, only asset category recommendations based on a user generated risk profile and investment objective profile.
8. Any computer model investment program should be evaluated based on its ability to adequately determine the risk profile of the investor, the investment objectives of the

investor, and to generate a recommended asset allocation based on such risk profiles and investment objectives. The Morningstar investment categories have gained wide acceptance in the marketplace, and a computer model should have the capability to take an existing or hypothetical portfolio of individual equities, bonds, or mutual funds comprised of the same, and analyze such portfolio for risk, asset category, and returns.

9. Computer model investment advice programs for IRA beneficiaries will be most useful for those IRAs with smaller account balances where the beneficiary is unlikely to seek the assistance of an investment professional or personal financial planner. The advice presented is typically either online or in the form of a printable report. Since the IRA investor using this type of model will most frequently be self-directing his or her account, they have, and should have the ability to refine, amend, or override the provided advice in order to tailor the investments to meet their particular needs.

We encourage the DOL to not seek a standardized computer investment model for IRAs, or if needed, to limit its applicability to IRAs valued below a certain dollar threshold. In many cases, the IRA is only one of many investments an individual may have, and what might be an appropriate asset allocation for the IRA may not correspond to the overall investment portfolio or asset allocation of the IRA beneficiary. There currently exists a significant investment knowledge gap among smaller IRA investors, and with the tremendous increase in the use of account balance retirement plans that ultimately convert to IRAs, initial efforts at computer investment modeling will be most valuable by providing education for users on investment fundamentals and the need for appropriate asset allocation and diversification. More sophisticated IRA beneficiaries will continue to avail themselves to the services of investment professionals and financial planners, and computer model investment advice programs will be of little use or value to this classification of IRA beneficiaries.

Sincerely,

Stephen M. Castle