



November 14, 2011

The Honorable Steve Stivers  
U.S. House of Representatives  
1007 Longworth House Office Building  
Washington, DC 20515

The Honorable Marcia Fudge  
U.S. House of Representatives  
1019 Longworth House Office Building  
Washington, DC 20515

Dear Congressman Stivers and Congresswoman Fudge:

We applaud your efforts to amend Title VII of the Dodd-Frank Act to ensure that certain inter-affiliate transactions are exempt under the Act.

Title VII of Dodd-Frank imposes capital and margin requirements on uncleared swaps. Many financial firms engage in swaps and other transactions among their various affiliates as part of the normal course of business and for risk management purposes. Imposing such requirements on inter-affiliate transactions will raise the cost of providing financial products to customers and risk management for no practical benefit to safety and soundness.

H.R. 2779 would exempt certain inter-affiliate transactions from meeting margin, clearing, and reporting requirements under Title VII. In nearly all cases, these inter-affiliate transactions are under the control of common parties and should not be classified as separate transactions. Without this protection, we are concerned that certain contracts will be classified as swap transactions which will increase the costs for our member firms and customers to appropriately manage business risk.

We strongly support and urge the House Financial Services Committee to vote for H.R. 2779. Thank you for your consideration of our views.

Sincerely Yours,

A handwritten signature in blue ink, appearing to read "Ken Bentsen", is displayed within a light gray rectangular box.

Kenneth E. Bentsen, Jr.  
EVP, Public Policy and Advocacy

CC: Capital Markets and Government Sponsored Enterprises Subcommittee