

April 5, 1976

Dear :

Thank you for your letter dated January 9, 1976, in which you call my attention to an inconsistency and need for clarification in view of the language in the preamble to the proposed regulations which appeared in the Federal Register of November 19, 1975 and the text of the proposed regulations in section 2520.103-1(b) which relates to common or commingled trust funds maintained by banks. You point out that the problem arises because the preamble refers to a commingled fund which "falls within the substantive provisions" of the regulations of the Comptroller of the Currency, whereas section 2520.103-1(b) of the proposed regulations refers to a fund "which meets the requirements" of the Comptroller's regulations. You further point out that although a State bank's commingled investment fund can satisfy the substantive requirements of the Comptroller's regulations, it cannot ever "meet the requirements" of those regulations for the reason that they are both substantive and procedural. Procedurally, these regulations require a variety of reports to be filed with the Comptroller and only national banks file those reports.

It is not intended that state banks be excluded under section 2520.103-1(b) of the proposed regulations. When the final regulations are published, this inconsistency and oversight will be corrected.

Thank you for bringing this to my attention.

Sincerely,