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From: Kevin_Schuller@aal.org
Sent: Friday, August 09, 2002 4:10 PM
To: regs.comments@ots.treas.gov
Cc: Richard.Jodarski@thrivent.com; Kelly_Allen@aal.org
Subject: Attention: Docket No. 2002-22 (Recordkeeping and Confirmation Requirements for Securities Transactions; Fiduciary Powers of Savings Associations)

Thrivent Financial Bank is a federal savings association with trust powers.
It is a wholly owned indirect subsidiary of Thrivent Financial for Lutherans. While supporting the proposed amendments to 12 CFR Part 550, we
oppose adoption of proposed new 12 CFR Part 551 - Recordkeeping and Confirmation Requirements for Securities Transactions.

The release proposing new Part 551 indicates that these rules are deemed
necessary because an interim final SEC rule now allows savings associations to "perform certain broker-dealer activities without registering with the SEC", whereas prior to the issuance of the interim
final rule "savings associations could not effect securities transactions
directly unless they registered with the SEC as a broker-dealer." The release goes on to indicate that the proposed rules are similar to rules
which have long been in effect for non-OTS chartered banks, but which OTS
had no need to implement until the SEC interim final rule made it possible for savings associations to perform broker-dealer activities without SEC registration.

Prior to the adoption of the Gramm-Leech-Bliley Act ("GLB Act"), all banks except thrifts were free to engage in any type of broker-dealer activity without registering with the SEC, as a result of a statutory exemption under the 1934 Exchange Act ("1934 Act"). For that reason, the
other federal bank regulatory agencies previously adopted recordkeeping
and confirmation rules (e.g. the OCC regulations at 12 CFR Part 12) for
the protection of bank customers.

As a consequence of:

(1) the SEC interim final rule effective May 11, 2001, in which the
SEC finally adopted the concept that thrifts would normally be considered "banks" within the meaning of the 1934 Act as amended by the GLB Act, and

(2) the extended regulatory exemption which all "banks" have been granted pending adoption by the SEC of final rules implementing the GLB Act amendments to the 1934 Act,

since May 11, 2001 thrifts have been theoretically free to conduct broker-dealer activity without SEC registration.

However, the overriding reality is that as soon as the SEC issues final
rules implementing the GLB Act amendments, and withdraws the temporary regulatory exemption, all banks will be required to register with the SEC
if they engage in any activities which (1) fall within the 1934 Act definitions of "broker" and/or "dealer" and (2) are not specifically exempted under Sections 201 and/or 202 of the GLB Act.

In other words, the rationale for the recordkeeping and confirmation rules previously issued by the other federal bank regulatory agencies will soon largely, if not completely, disappear as the bulk of the activity which those rules are designed to address comes within the regulatory jurisdiction of the SEC.

Rather than adopting similar rules designed for a regulatory framework that will soon disappear, we would urge OTS to reconsider its position and withdraw proposed Part 551 in its entirety. Instead, we would encourage OTS to focus exclusively upon the limited activities which thrifts (and other banks) will be able to engage in under the exemptions in Sections 201 and/or 202 of the GLB Act, once the scope of those exemptions has been defined by final SEC regulations. All of the federal bank regulatory agencies will then be in a position to jointly consider and adopt only those rules - if any - which they determine to be necessary and appropriate for the protection of customers in the context of the limited activities exempt from SEC registration.

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