



Sovereign Bank

Member FDIC

October 11, 2001

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, DC 20552

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Attn: Docket No. 2001-49

Sovereign Bank ("The Bank") welcomes the opportunity to provide comments concerning the proposed rule making on the Community Reinvestment Act Regulations.

We believe that the current CRA Regulations work reasonably well and that no significant changes are necessary. However, the practicality of the Regulations on the record keeping and reporting of Consumer loans needs further review and consideration.

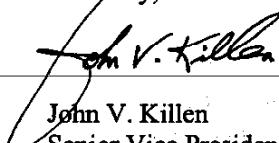
The reporting of Consumer loans under Regulation BB is optional but may be evaluated by the Regulatory Agency when the Agency determines that an institution's consumer loans constitute a "substantial majority" of an institution's lending activity. Further, the Regulation requires an institution to collect specific loan detail on the loan location and gross annual income of the borrower for evaluation.

Sovereign Bank purchases a significant volume of auto loan packages from National Lenders with the majority of the loans outside the bank's assessment area. The Bank buys the "paper" for the yield return and does not make the loan credit decisions, book the loans or service these loans. In effect, the purchase of this type of asset is the equivalent of buying a security. It is neither practical nor cost effective for the bank to collect and maintain individual loan detail. The regulatory evaluation of the auto loan purchases would be complex and a tremendous amount of work for both Agency examiners and the Bank.

The Bank respectfully requests that the regulatory requirement for the collection and maintenance of detail Consumer loan purchase information be carefully reviewed with proper consideration given to the practicality of the Regulation for reporting purposes.

Thank you for your consideration on this matter.

Sincerely,



John V. Killen
Senior Vice President
Corporate CRA Officer

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