JPMorganChase

Randall C. Neidenthal
Vice President and
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Legal Department

September 15, 2006

Robert E. Feldman, Executive Secretary
Attention Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C. 20429

Via e-mail (http://www.FDIC.gov/regulations/laws/federal/propose.html)

Re: Advertisement of Membership; RIN 3064-AD05

Dear Mr. Feldman:

The Federal Deposit Insurance Corporation (the "FDIC") has requested comments on its proposed revision to its regulation governing official FDIC signs and advertising of FDIC membership. JPMorgan Chase & Co., on behalf of its lead subsidiary bank, JPMorgan Chase Bank, National Association and its affiliates, appreciates the opportunity to submit this response.

JPMorgan Chase & Co., (NYSE: JPM) is a leading global financial services firm with assets of $1.3 trillion and operations in more than 50 countries. The firm is a leader in investment banking, financial services for consumers and businesses, financial transaction processing, asset and wealth management, and private equity. JPMorgan Chase & Co. has its corporate headquarters in New York and its U.S. consumer and commercial banking headquarters in Chicago. Under the JPMorgan and Chase brands, the firm serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients. Information about the firm is available on the Internet at www.jpmorganchase.com.

SPECIFIC REQUESTS:

Effective Date

We suggest a period of one (1) year from the time of publication of the final rule as the effective date to implement the changes required by the regulation. JPMorgan Chase Bank, N.A. currently has over 2,660 branches in seventeen (17) states and the changing of all of the Official Signs will be a significant effort that could be efficiently managed over the course of one (1) year. Depending on the extent of other changes created by implementing the final rule related to advertising, marketing, and operations, six (6) months may be insufficient and one (1) year would likely be sufficient to implement necessary changes.

Use of Official Advertising Statement in Advertisements Marketing Non-Deposit Products

The proposal requests comment on prohibiting the use of the official advertising statement ("Official Advertising Statement") with (1) an advertisement that relates solely to non-deposit products ("NDPs"), and (2) an advertisement for hybrid products that includes both deposit products and NDPs, such as sweep accounts.

Regarding advertisements that solely promote a NDP and the expressed concern that consumers may be confused about insurance coverage, the use of the Official Advertising Statement would likely be misleading and inconsistent with the guidelines of the Interagency Policy Statement on Retail Sales on Non-Deposit Investment Products ("NDP Statement").

Regarding advertisements that promote hybrid products, in which the bank deposit component of the product is insured and the NDP component is not insured, we do not think the Official Advertising Statement should be prohibited. The use of the Official Advertising Statement in connection with the insured deposit product is accurate and important information that may be useful to convey to the customer. The NDP Statement provides, among other things, that the non-insured nature of the NDP be conspicuously disclosed and that the content of the material "must not suggest or convey any inaccurate or misleading impression about the nature of the product or its lack of FDIC insurance." We think this guidance, rather than a strict prohibition against the use of the Official Advertising Statement, strikes the appropriate balance for advertising hybrid products because it is beneficial for the consumer to understand the insurance coverage as well the non-insured nature of these products.

Regarding the proposal to require the Official Advertising Statement to be clearly segregated from the information about NDPs in advertisements that contain information about both NDPs and insured deposit products, we believe this proposal is consistent with current principles in the NDP Statement. The NDP Statement provides that written materials "should clearly segregate information about non-deposit investment products from the information about deposits." As noted above, the NDP Statement further provides that the non-insured nature of the NDP be conspicuously disclosed and that the content of the material "must not suggest or convey any inaccurate or misleading impression about the nature of the product or its lack of FDIC insurance." We believe the segregation of the insured deposit products and the Official Advertising Statement from information about the NDPs in advertisements is helpful to the consumer and consistent with the principles of the NDP Statement.

OTHER GENERAL COMMENTS:

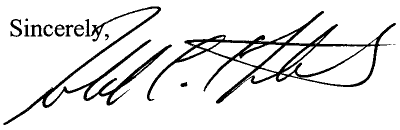
Proposal To Consolidate Exceptions to the Required Use of the Official Advertising Statement.

We are concerned that the proposal to limit the use of the Official Advertising Statement "to advertisements that specifically promote deposit products or generally promote banking services offered by an insured depository institution" is vague, specifically because of the phrase "generally promote banking services." As a result, in our view, it will be less clear when the

Official Advertising Statement is required. While we understand the intent of the proposal is not to eliminate any of the currently enumerated services that are exceptions, like loans, safe deposit boxes, and trust business, the advertising of these services would or could readily be considered as "generally promoting banking services." We suggest retaining the current enumeration of services for clarity or financial institutions will include the Official Advertising Statement when FDIC insurance coverage is not relevant to the product offered, not useful information for the consumer, and potentially misleading.

JPMorgan Chase & Co. appreciates the opportunity to comment and we would be pleased to discuss any of our comments in more detail. Please contact Randall C. Neidenthal at 614-248-6037.

Sincerely,



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