

November 13, 2007

Via e-mail

Communications Division Office of the Comptroller of the Currency 250 E Street, SW. Mail Stop 1-5 Washington, D.C. 20219 Attention: 1557-0081 regs.comments@occ.treas.gov

Jennifer J. Johnson, Secretary Board of Governors of the Federal Reserve System 20th Street and Constitution Avenue, NW. Washington, D.C. 20551 Attention: Consolidated Reports of Condition and Income, 7100-0036, March 2008 regs.comments@federalreserve.gov

Steven F. Hanft, Clearance Officer Comments Room MB-2088 Federal Deposit Insurance Corporation 550 17th Street, NW. Washington, D.C. 20429 Attention: Consolidated Reports of Condition and Income, 3064-0052 <u>comments@FDIC.gov</u>

Re: Proposed Agency Information Collection Activities; Joint Notice and Request for Comment – Proposed Revisions to the Consolidated Reports of Condition and Income (Call Reports)

Wells Fargo & Company ("Wells Fargo") appreciates the opportunity to comment on the proposed revisions to the Consolidated Reports of Condition and Income ("Call Reports") (the "Proposal") set forth in the joint notice and request for comment by the Office of the Comptroller of the Currency (the "OCC"), the Board of Governors of the Federal Reserve System (the "Board") and the Federal Deposit Insurance Corporation (the "FDIC"), (collectively, the "Agencies"). Wells Fargo is a diverse financial services company with \$549 billion in assets, providing banking, insurance, investments, mortgage and consumer finance through almost

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6,000 stores and the internet across North America and internationally. At September 30, 2007, Wells Fargo was the fifth largest bank holding company, based on assets, and filed numerous regulatory reports with the Agencies, including 11 Call Reports for bank subsidiaries. Wells Fargo's lead bank, Wells Fargo Bank, N.A. is a member of The Clearing House Association, L.L.C., which, on behalf of its members, is also providing comments on the Proposal to the Agencies.

Summary of Deposits Report

Footnote 1 to the Proposal indicates that the banking agencies are considering a separate proposal to incorporate the FDIC's Summary of Deposits report (OMB No. 3064-0061) into the Call Report effective June 30, 2008. Although a proposal has not yet been published for comment at this time, Wells Fargo would like to express its concerns in advance on the incorporation of the Summary of Deposits report into Call Report.

The FDIC has indicated informally its desire to collect the Summary of Deposits data via the Central Data Repository ("CDR"). Wells Fargo would support Summary of Deposits data collection via the CDR as underlying XBRL programming and mechanics are generally transparent to banks. However, we strongly believe that the FDIC's Summary of Deposits report and the Call Report should remain as two separate filings.

Currently, the filing due dates for the two reports are inconsistent for large banks with more than one foreign office. The Summary of Deposits report has a filing due date of July 30. Banks with more than one foreign office have five additional calendar days, until August 4, to file their Call Reports.

Concurrent filing of the two reports would create undue burden on banks, particularly large banks such as Wells Fargo with over 3,000 branches. At most banks, the same staff that prepare the Call Reports also complete the Summary of Deposits reports. Banks would need additional staff to prepare the reports to be filed at the same time. Banks would incur added staff and training costs which could be avoided by staggering the due dates of the reports. This is particularly burdensome as the Summary of Deposits report is filed only annually and the need for additional staffing is short-lived. This additional burden can be avoided by keeping the filings separate and by permitting an additional two weeks to accurately validate and reconcile branch data.

In previous years, upon written request to the FDIC, banks have been granted filing extensions until August 15 for the Summary of Deposits. Extensions have also helped banks to have time for enhanced review of the data prior to filing. The granular detail of the report requires additional time to ensure that information and balances for thousands of branches can be properly validated and reviewed. It has been our experience that the FDIC has had very few follow-up questions to the Summary of Deposits and the data can be finalized by the FDIC soon after filing. It does not seem unreasonable to keep the Summary of Deposits a separate report due to the different level of granularity (branch level vs. bank level) and establish a due date of

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August 15. The FDIC can still achieve its goals of efficient submission via the CDR and leveraging the branch structure reporting submitted by banks to the Federal Reserve.

Loans Reported at Fair Value Under a Fair Value Option

The Agencies have proposed to add items to Schedule RC-C, part I, Loans and Leases, and to RC-D, Trading Assets, to collect data on the loans reported in this schedule that are measured at fair value under a fair value option. In addition to reporting the fair value and unpaid principal amount of such loans by major loan category, the Agencies propose to collect the aggregate amount of difference between the fair value and the unpaid principal balance of such loans broken out between changes attributable to the credit risk of the loan since origination and the amount attributable to all other factors.

The regulatory agencies have invited comment related to the ability of banks to disaggregate changes in the fair value of loans into two categories: 1) changes in credit risk and 2) changes due to all other factors. Although the information may exist in theory, it is not readily available in practice. Fair value pricing is not performed on a component basis, but rather amounts are priced based on the total trade. Consequently, banks would need to develop incremental processes to work backwards to derive the theoretical components solely to meet the Call Report requirements. If banks were to attempt to derive this information, it is not clear that the data would be reliable. The information would not be comparable across the industry due to varying methods to estimate the components and therefore would be of limited, if any, usefulness. Finally, any attempt to derive this data would place a significant burden on banks that would be analogous to the burden placed on hedging specific risk elements as part of a FAS 133 hedge. There would be little reporting benefit from the significant cost associated with this complex and largely unreliable effort. Therefore, Wells Fargo strongly opposes the collection of data attributing the aggregate difference between the fair value and the unpaid principal of loans measured at fair value under a fair value option to changes in credit risk since origination of the loans.

Other comments

The Agencies are proposing to expand the scope of Schedule RC-P to include, among other items, originations of open-end 1-4 family residential mortgages during the quarter for which would be reported 1) total commitment under the lines of credit and 2) principal amount funded under the lines of credit. Draft instructions for the proposed line items currently are not available. Wells Fargo would encourage the Agencies to clearly define both terms under originations of open-end 1-4 family residential mortgages during the quarter in the Call Report Instructions. We believe these terms as they apply to open-end 1-4 family residential mortgages absent a clear and concise definition will be subject to vast interpretation and could result in unnecessary and costly programming to capture the data. To avoid diversity in practice and costly programming changes that might not be necessary, we recommend that with regard to originations of open-end 1-4 family residential mortgages 1) total commitments be defined as the

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initial committed balance made to customers on newly established open-ended lines of credit and 2) principal amount funded be defined as initial fundings made to customers on newly established lines. Application of this principle would establish consistency. Clear and concise instructions will help ensure the Agencies and banks have the same understanding of the information requested.

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We appreciate the opportunity to comment on the issues contained in the Agencies' proposal. If you have any questions, please contact me at (612) 667-7768.

Sincerely,

/s/ James E. Hanson

James E. Hanson Director, Financial Reporting / M & A

cc: Ms. Donna Fisher, American Bankers Association Ms. Gail Haas, The Clearing House Association, L.L.C.