February 13, 2012

Mr. John G. Walsh
Acting Comptroller of the Currency
Office of the Comptroller of the Currency
250 E Street, S.W.
Washington, D.C. 20219

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds (OCC Docket ID OCC-2011-14; FRS Docket Number R-1432, RIN 7100 AD 82; FDIC RIN 3064-AD 85; SEC File Number S7-41-11)

Ladies and Gentlemen:

American International Group, Inc. and SunAmerica Life Insurance Company, guarantors in connection with certain sponsorships described more fully herein related to the SunAmerica Affordable Housing business (collectively, "SunAmerica") appreciate the opportunity to provide comments related to the proposed rule titled, "Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds" (the Proposed Rule).[1] SunAmerica recognizes the efforts undertaken by the Securities and Exchange Commission (SEC), Board of Governors of the Federal Reserve (Federal Reserve), Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC, and together with the other agencies, the Agencies) to implement rules regarding proprietary trading and restrictions on relationships with covered funds, commonly referred to as the "Volcker Rule," as required under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act).[2]

American International Group, Inc. owns 100% of the capital stock of AIG Federal Savings Bank (AIG Bank), a federally chartered savings bank, headquartered in Wilmington, Delaware, and regulated by the OCC, and of SunAmerica Life Insurance Company, an Arizona-domiciled

[1] Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds, 76 Fed. Reg. 68846 (Nov. 7, 2011). Specifically, this letter addresses questions 276 – 280 and 378 in the Proposed Rule.

[2] *See* Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111–203, 124 Stat. 1376 (2010).

insurance company. Under Section 13 to the Bank Holding Company Act of 1956 (BHC Act),[3] American International Group, Inc., together with its affiliates is a "banking entity" subject to the Proposed Rule and, in such capacity, the scope of the Proposed Rule extends to all of American International Group., Inc.'s affiliates, including SunAmerica Life Insurance Company. Accordingly, American International Group, Inc. additionally offers the following comments based on its position as a "banking entity" engaged in activity that maintains a significant public welfare interest.

I. Executive Summary

SunAmerica supports the Dodd-Frank Act's exemption from the Volcker Rule restrictions for small business investment company (SBIC), public welfare, and qualified rehabilitation investments,[4] as this exemption is imperative to the continued vitality of funds with public welfare purposes, including low-income housing tax credit (LIHTC) funds. SunAmerica also generally supports the Proposed Rule's approach to implementing this exemption,[5] as it permits LIHTC fund sponsors, such as SunAmerica, to meet the needs of the community through serving as sponsors and guarantors to LIHTC partnerships and their investors. Through serving in this role, entities such as SunAmerica have made it possible for businesses and financial institutions to invest in LIHTC partnerships, ensuring the continued vitality of the affordable rental housing industry.

While SunAmerica endorses the Proposed Rule's method to implementing the public welfare exemption, the Agencies should clarify the final rule to ensure that banking entities retain the ability to sponsor SBICs and other identified public interest investments. While the Proposed Rule indicates that both investment in and sponsorship of covered funds are permitted where the fund has a public welfare purpose,[6] it should more clearly state that LIHTC fund sponsor activities fall within the public welfare exemption when providing guarantees to LIHTC investor partnerships.[7]

Specifically, the Proposed Rule should be clarified so that the provision of guarantees to investor partnerships, such as construction completion, permanent financing, operating deficit coverage and investment yield, fall within the public welfare exemption under §__.13(a) of the Proposed

[3] 12 U.S.C. 1851, as added by Section 619 of the Dodd-Frank Act.

[4] BHC Act §13(d)(1)(E).

[5] Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds, 76 Fed. Reg. at 68953.

[6] Section 13(d)(1)(E) of the BHC Act discusses exemptions from the general prohibition against investment or sponsorship under the Volcker Rule. Public welfare investments in sponsorships qualifying for LIHTC are Permitted Activities under Section 13(d)(1)(E)of the BHC Act.

[7] Among these provisions are BHC Act Section 13(d)(1) dealing with authority under state and federal law; Section 13(f)(1) dealing with Section 234 of the Federal Reserve Act, and to a much lesser extent Section 13(d)(2) dealing with limitations on permitted activities.

Rule.[8] Additionally, SunAmerica asks that the Agencies further clarify that the Proposed Rule does not require SunAmerica and other banking entities to cease current sponsorships that utilize guarantees designed primarily to promote the public welfare. As explained in this letter, such a clarification is consistent with Congressional intent, the plain statutory language in Section 13 of the BHC Act, and furthers the public policy goals set forth in the Proposed Rule.

II. Overview of the LIHTC and SunAmerica

SunAmerica has significant activities within the affordable rental housing area in the form of investment partnerships using the LIHTC authorized under Section 42 of the Internal Revenue Code of 1986, as amended. LIHTC has been a highly successful affordable housing program. It was created by the Tax Reform Act of 1986[9] and has financed over two million low-income apartment homes since its adoption. For nearly 25 years, it has been the principal vehicle through which the U.S. government has fostered the supply of affordable rental housing. The LIHTC is available to owners of rental housing developments, which are occupied principally or entirely by low-income households, *i.e.* incomes that do not exceed 60% of the area median income where properties are located and who pay restricted rents typically below comparable market rents. LIHTC investments by banks have long been eligible for consideration as "qualified investments," or investments that have a primary purpose of community development, under the Community Reinvestment Act (CRA) and CRA regulations of the Federal bank regulatory agencies.[10] In order to qualify under the CRA, banking entities must provide regulators with a record of helping meet the credit needs of the communities in which they operate, including low- and moderate-income neighborhoods, consistent with safe and sound banking operations. The LIHTC program produces nearly 130,000 family affordable rental units each year.

LIHTC compliance history has also been a successful one.[11] Recapture rates (occurring when units are rented to over-income tenants or when foreclosure occurs) have been very low. Studies have cited several factors to support the notion that the risk of recapture is low, including nominal foreclosure rates, a marketplace of institutional participants, the low rate of Internal

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[8] Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds, 76 Fed. Reg. at 68953.

[9] Public Law 99-5140.

[10] 12. U.S.C. § 2901. In addition to the CRA, other regulations of the Federal banking agencies also specifically identify LIHTC investments as qualifying public welfare investments. *See e.g.* 12 C.F.R. § 24.6.

[11] In 2011, the 25th anniversary of enactment of the Tax Reform Act of 1986 (which authorized LIHTC), two respected firms produced studies of the record of LIHTC over the past 25 years. The studies contain valuable information on low defaults on LIHTC properties, the benefits of institutional partners, and the "fully rented" nature of LIHTC projects. *c.f.* "Low-Income Housing Tax Credit – Assessment of Program Performance & Comparison to Other Federal Affordable Rental Housing Subsidies" (Novogradac & Company LLP Special Report), and "The Low-Income Housing Tax Credit Program at Year 25: A Current Look at Its Performance" (Reznick Group, August 2011).

Revenue Service audits, and the lack of impact of housing market fluctuations on an investor's tax benefits.[12] The volume of affordable rental units produced and the absence of any significant recapture or other difficulties has lead to LIHTC being described in a study performed by Harvard University and commissioned by the Treasury Department as, "the most successful affordable housing production and preservation program in the nation's history."[13]

SunAmerica has been a leader in the establishment of investor partnerships using LIHTC since the adoption of the credit in 1986. SunAmerica's LIHTC investment portfolio is one of the largest in the nation, having financed more than 1,100 properties in 48 states and the Virgin Islands, containing approximately 136,000 units of affordable rental housing. SunAmerica is a substantial investor in LIHTC partnerships, but its principal LIHTC activity is as an organizer or "sponsor" of LIHTC partnerships. Sponsors such as SunAmerica make it possible for businesses and financial institutions to invest in LIHTC partnerships each year.

LIHTC has enabled both large banks (as sponsors and investors) and smaller banks (as investors) to provide billions of dollars of affordable rental housing each year. A portion of SunAmerica's LIHTC investors are smaller community banks who rely on SunAmerica to provide technical and management expertise to select, manage and structure LIHTC partnerships. Over the years, LIHTC investment activity has migrated from an individual investor to an institutional investor profile. LIHTC investment funds, in order to attract such institutional investors (including community banks), have been required to provide enhancements in the form of guarantees. These guarantees allow investors to better manage risk and have become a standard element in the highly successful LIHTC programs that SunAmerica has developed over the past 20 years. Today, substantially all of SunAmerica's LIHTC investment partnerships are accompanied by certain guarantees, such as construction completion, permanent financing, investment yield, and operating deficit guarantees to investors.

III. The Proposed Rule's Approach to Implementing the SBIC, Public Welfare, and Qualified Rehabilitation Investment Exemption is Effective

Section __.13(a) of the proposed rule discusses permitted covered fund activities and investments, explaining that the covered fund prohibitions do not apply with respect to acquiring or retaining an ownership interest in, or acting as sponsor to, a covered fund by a covered banking entity or an affiliate or subsidiary thereof: (1) in one or more SBICs; (2) that is designed primarily to promote the public welfare, including the welfare of low- and moderate-income communities or families (such as providing housing, services, or jobs); or (3) that is a qualified rehabilitation expenditure with respect to a qualified rehabilitation building or certified historic

[12] Robinson, Leslie, "Do Firms Incur Costs to Avoid Reducing Pre-Tax Earnings? Evidence from the Accounting for Low-Income Housing Tax Credits." The Accounting Review. March 2010 at 644-45.

[13] "The Disruption of the Low-Income Housing Tax Credit Program: Causes, Consequences, Responses and Proposed Correctives," Joint Center for Housing Studies of Harvard University, December 2009.

structure.[14] In the Proposed Rule, the Agencies explain that the exemption permits the acquisition or retention of an ownership interest, as well as allows the banking entity to act as sponsor to these types of public welfare investments.[15] They note that permitting a banking entity to serve as a sponsor will "provide valuable expertise and services to these types of entities, as well as help enable banking entities to provide valuable funding and assistance to small business, and low- and moderate-income communities."[16] The Agencies also add that the exemption is consistent with the safe and sound operation of banking entities, and promotes the financial stability of the United States.[17]

In general, SunAmerica supports the Agencies' approach to the public welfare exemption. The exemption under §__.13(a) explicitly extends to both investments in and sponsorships of a covered fund, assuming the investment meets the public welfare test in 12 U.S.C. § 24 and the accompanying regulations.[18] LIHTC clearly meets the public welfare test in 12 U.S.C. § 24, as the statute notes specific examples of investments that meet the public welfare test, including, "investments in a project that qualifies for the LIHTC." Therefore, it is apparent that this exemption extends to LIHTC investments and the Volcker Rule does not raise any meaningful impediments to the ability of banks to continue to engage in and sponsor LIHTC investments.

The Agencies' approach in the Proposed Rule is consistent with Congressional intent to exclude public welfare investments such as LIHTC from the Volcker Rule's prohibitions. The origin of this exemption came during the final days of negotiation on the Dodd-Frank Act. During Conference Committee deliberations, it became clear that an array of public welfare investments that banking entities had made over the years (and which had helped to further important public policy objectives such as historic preservation and the providing of affordable rental housing), could be jeopardized by the Volcker Rule. A number of groups representing affordable housing, small business and others identified the problem to the Conferees considering the final version of the Dodd-Frank Act. House Financial Services Committee Chairman Barney Frank (D-MA) introduced this exemption which the Conferees adopted, adding qualifying public welfare investments permitted under 12 U.S.C. § 24 to the "permitted activities" section of Section 13. The exemption was to ensure banking entities, including community bank investors in LIHTC partnerships, were exempted from the Volcker Rule, provided that the investment activity was a public welfare investment under 12 U.S.C. § 24. However, consistent with these goals, SunAmerica asks that the Agencies further clarify that the Proposed Rule does not require SunAmerica and other banking entities to cease sponsorships that utilize guarantees.

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[14] Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds, 76 Fed. Reg. at 68953.

[15] Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds, 76 Fed. Reg. at 68908.

[16] Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds, 76 Fed. Reg. at 68908.

[17] Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds, 76 Fed. Reg. at 68908.

[18] 12 CFR § 24.6.

Under Section 13(d)(1), and implemented in part in Section __.13(a) of the Proposed Rule, Congress includes two limitations on the Permitted Activities exemptions from the Volcker Rule that concern SunAmerica. Section 13(d)(1) lists activities that are permitted notwithstanding the Volcker Rule restrictions, "to the extent permitted by any other provision of Federal or State Law and subject to the limitations under [Section 13(d)(2)] and any other restriction that the appropriate Federal banking agencies, the SEC or the CFTC may determine."[19]

This limitation – any other provision of State or Federal law – is ambiguous. A plain reading of this provision concludes that an activity, even though permitted by Section 13(d), must also be permissible under State or Federal law. In other words, a banking entity needs to have authority to engage in the activity under the law of its principal regulator and Section 13(d) does not permit an end run around State laws. Thus, if a state-chartered bank were no longer authorized by state banking law to make an investment in a LIHTC partnership for public welfare purposes, then it would not gain the authority to do so under Section 13(d).

However, without clarification, this provision could also be incorrectly interpreted to mean that other provisions in the Volcker Rule, including the prohibitions of Section 13(f)(1), limit the exemption provided for in Section 13(d)(1). Section 13(f) is a broad limitation and applies § 23A of the Federal Reserve Act (but without quantitative and qualitative limitations) to any activity between a banking entity and a covered fund. SunAmerica is concerned that without clarification, Section 13(f)(1) might require termination of sponsorship activities of banks for LIHTC funds to the extent they meet the covered transaction definition, which could include sponsorship with guarantee features.

We support the Agencies' interpretation that Congress did not intend to override the provisions of Section 13(d) with Section 13(f) (Proposed Rule at §__.16) and its super § 23A provisions. Congress could not have intended that § 23A and Section 13(f) apply to Permitted Activities under Section 13(d)(1). To do so would lead to an illogical outcome whereby Congress was both permitting and prohibiting the same transaction at the same time, since in most cases many permitted investment partnerships (even those without guarantee features) have some components that could be affiliate transactions under § 23A. This is consistent with a basic principle of statutory interpretation, which states that courts should, "give effect, if possible, to every clause and word of a statute, avoiding, if it may be, any construction which implies that the legislature was ignorant of the meaning of the language it employed."[20] In other words, statutes must be construed "so as to avoid rendering superfluous" any statutory language.[21] We support the Agencies' conclusion that:

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[19] *See* BHC Act Section 13(d)(1).

[20] U.S. Congressional Research Service. Statutory Interpretation: General Principles and Recent Trends (97-589; Aug. 31, 2008), by Yule Kim, (quoting *Montclair v. Ramsdell*, 107 U.S. 147, 152 (1883)).

[21] *Id.* (quoting *Astoria Federal Savings & Loan Ass'n v. Solimino*, 501 U.S. 104, 112 (1991)).

> [t]here is no evidence that Congress intended section 13(f)(1) of the BHC Act to override the other provisions of section 13 with regard to the acquisition or retention of ownership interests specifically permitted by the section. Moreover, a contrary reading would make these more specific sections that permit covered transactions between a banking entity and a covered fund mere surplusage.[22]

However, although we agree with the Agencies' conclusion, we urge for complete clarity that the Proposed Rule's "override" go further. The Agencies should clarify that any sponsorship of a covered fund that is a Permitted Activity under 13(d)(1) (provided that the safety and soundness requirements of Section 13(d)(2) are met) is not subject to *both* Section 13(f) and any limitations in Section 13(d)(1) that reference "any provision of Federal or State law," since Section 13(f) is a provision of Federal law. In other words, the provisions of Section 13(f) should not be considered under the Section 13(d)(1) reference to "any other provision of Federal or State law."

IV. Banking Entities Must Be Able to Sponsor an SBIC and Other Identified Public Interest Investments

As previously discussed, public interest investments are essential to the well-being of low- and moderate-income communities, thus banking entities must be able to continue to sponsor such investments. We support the Agencies' interpretation that Congress intended for banking entities to be permitted to both invest in and sponsor an SBIC and other identified public interest investments by including its exemption under Section 13(d)(1)(E) for: (1) investments in SBIC, (2) investments designed to promote the public welfare, and (3) investments that are qualified rehabilitation expenditures. Unless the Agencies interpreted that Congress meant to include both investments and sponsorships, public welfare investments such as investments in projects that qualify for the LIHTC would be unavailable because LIHTC sponsors such as SunAmerica would no longer be able to sponsor such investments. However, the Proposed Rule remedied this Congressional oversight, i.e. the failure to reference sponsorship, and we strongly endorse that provision of the Proposed Rule.

We also note that under Section 13(d)(2), no sponsorship under the Permitted Activities program of Section 13(d)(1)(E) should continue if it presents a safety and soundness threat to the banking entity. Although we recognize the importance of curbing activities that present safety and soundness concerns, we do not believe that any activities in the LIHTC area present such a threat. The record of public welfare investments and sponsorship, and LIHTC in particular, has been exemplary with annual foreclosure rates of less than one percent.[23] The ability to attract

[22] Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds, 76 Fed. Reg. at 68916.

[23] A recent study notes that the LIHTC program has experienced a significantly low foreclosure rate relative to other real estate classes. Specifically, in a survey of 15,174 properties, only 129 had been foreclosed upon between 1991 and 2006. *See* Novogradac & Company LLP Special Report, May 11, 2011, page 4. A 2002 study by Ernst &
(Footnote continued on next page)

institutional investors with guarantee features has, we believe, strengthened the oversight and property selection process, further reducing problem asset issues. Using the standards of Section 13(d)(2), there is no evidence of sponsor conflict of interest, safety and soundness concerns, or threats to U.S. financial stability, including where the sponsorship activities have been accompanied by certain traditional forms of guarantees. Thus, we believe that the record of LIHTC partnerships would enable the requirements of Section 13(d)(2) to be easily satisfied.

Congressional history also indicates that Congress intended that banks could remain affiliated with LIHTC entities. As noted previously, the Conference Committee, and the chambers of Congress, included this exemption upon a determination that without it, public welfare investments, such as investments under the LIHTC, that banking entities had made over the years would be jeopardized. Clearly, by including such an exemption, Congress did not perceive sponsorships of such investments as a threat to the safety and soundness of banking entities.

V. The Proposed Rule's Effects on a Banking Entity's Ability to Sponsor and Syndicate Funds Supported by Public Welfare Investments or Low Income Housing Tax Credits

It is essential for a banking entity to have the ability to sponsor public interest investments, and to do so the banking entity must be able to guarantee those investments. LIHTC investment activity has migrated from an individual investor to an institutional investor profile, requiring banking entities to provide guarantees prior to the investor agreeing to invest. Without guarantees, despite the Proposed Rule's provisions permitting banking entities to remain investors and sponsors of such funds, sponsors such as SunAmerica may be forced to spin off LIHTC activities to an entity that is not a banking entity (or affiliated with a banking entity), or only sponsor LIHTC funds that rely solely on investors who do not require guarantees. SunAmerica has determined that a spin off is simply impractical. In addition to the prohibitive costs of doing so, few entities would likely be willing or have the resources necessary to take over as guarantor for such funds, as it requires that the entity be able to carry a significant liability in the form of sponsorships on its balance sheet.[24] Further, SunAmerica currently has limitations under many of its current investor agreements on its ability to substitute guarantors, leading to a situation where SunAmerica could be forced to attempt to negotiate costly buy-outs from investors before even having the ability to sell the business. Finally, without the ability to offer guarantees, the pool of institutional investors willing to invest in such funds could be

Young concluded that the foreclosure rate on LIHTC projects from 1987 through 2002 was 0.01 percent annually. *See* Robinson at [12] (citing Ernst & Young. LLP. 2002–2008. *Understanding the Dynamics: A Comprehensive Look at Low-Income Housing Tax Credit Projects.* Vols. I–IV. Compiled by Ernst & Young's Tax Credit Investment Advisory Services and Quantitative Economics and Statistics groups).

[24] Any entity with a high enough credit rating and a substantial enough balance sheet that could assume these types of guarantees may likely be similarly covered by the Proposed Rule as it may have an insured depository institution within its corporate structure. If that is the case, such an entity would be similarly situated to SunAmerica in asking for the clarifications herein. Therefore, if the clarifications requested herein are not provided, such an entity might be inhibited from moving forward with any proposed transaction to assume the guarantees.

significantly reduced, and those that remain will likely require additional changes to the terms of investment, forcing many banking entities involved in LIHTC investment activity to reconsider the viability of the business.

SunAmerica is also concerned that if guarantees are not permitted under the Volcker Rule's restrictions, there is some question as to whether funds that were created in the past utilizing guarantees could continue. SunAmerica believes that funds previously created with guarantees should be "grandfathered in," as sponsors such as SunAmerica and investors have relied upon this business structure when entering into business together. Such funds must be able to operate under the previously agreed upon structure, and the Agencies should clarify that these funds may operate until the natural conclusion of business, including permitting such funds to be extended based on previously issued guarantees. To do differently would unnecessarily interrupt business operations and potentially affect community development by creating greater uncertainty in the market. Retroactive regulatory restrictions could cause SunAmerica (or any other guarantor) to be unable to fulfill existing guarantee obligations and to default on agreements with investors based on such guarantees. Such defaults could lead to investors ceasing to fund capital obligations going forward. This, in turn, could lead to a lack of available capital for the underlying affordable housing projects, which could result both in shortfalls in operational costs and potential defaults on mortgages to the affordable housing projects. Thus, the ultimate harm in a retroactive application could be to the actual beneficiaries in the low- and moderate-income communities who could experience the repercussions from the underlying affordable housing projects being no longer economically viable.

Further, in accordance with sound business operations and based on the historical performance of SunAmerica's LIHTC investment portfolio, SunAmerica has estimated that the risk of paying on guarantees is remote. This confidence is the result of sound underwriting, strong asset management, and the geographic diversity in SunAmerica's portfolio of such investments. It also stems from the numerous vested partners (particularly government agencies) that have shown their commitment to supporting tax credit-funded affordable housing.

Congress did not explicitly address all the many forms that LIHTC investment partnerships take and did not directly address partnerships with guarantees. It did, however, conclude that LIHTC sponsorships should continue. Thus, the Agencies must interpret the Dodd-Frank Act as not limiting the activities of banking entities engaging in these Permitted Activities by applying § 23A to the Permitted Activities provision under Section 13(d)(1)(E). We also believe that Section 13(d)(1) cannot be read as a limitation of any authority except basic authority to engage in a permitted activity. An example of such authority would be whether a state-chartered bank had the authority to invest in a historic tax credit transaction under State law. If it did not, it could not gain this authority through Section 13(d) "Permitted Activities." To interpret the provision any more broadly would severely constrict the ability of banking entities to continue to sponsor funds supported by the LIHTC.

VI. The Proposed Rule Does Not Unduly Constrain a Banking Entity's Ability to Meet the Needs of the Community

As currently drafted, SunAmerica believes the Proposed Rule does not unduly constrain a banking entity's ability to meet the needs of the community. However, should the Agencies determine that Sections 13(d)(1) and 13(f) should be read more restrictively, it would signal an end to sponsorships that utilize guarantees, leading to a sizeable decline in LIHTC sponsorships and thus a decline in the production of affordable rental housing.

Production of affordable rental housing hinges on the Agencies continuing to permit sponsors to generate LIHTC funds that include guarantees. While we support the Agencies' exemption, we urge the Agencies to clarify that their intent was to include sponsorships with guarantees. Should the Agencies not clarify that traditional sponsorship with guarantee features was not intended to be limited by Section 13(f)(1) or Section 13(d)(1), production of affordable housing may drop as uncertainty increases and the level of sponsorship and investment declines. Banking entities must have the ability to participate in LIHTC structures, including such structures containing certain guarantees, in order to continue to meet the needs of the low- and moderate-income communities.

VII. Conclusion

SunAmerica recognizes the challenges the Agencies face in implementing these new requirements and appreciates the Agencies considering our concerns. We thank the Agencies for the opportunity to comment on the Proposed Rule. Please feel free to contact the undersigned with any questions you may have on our comments.

Yours truly,

Darren Trigonoplos
Associate General Counsel & Director
Government Affairs
American International Group

Christine Nixon
Senior Vice President and General Counsel
SunAmerica Life Companies

cc: Mr. David A. Stawick, Secretary, Commodity Futures Trading Commission