



**SunTrust Banks, Inc.**  
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*By electronic submission*

Board of Governors of the Federal Reserve  
System  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, D.C. 20551

Office of the Comptroller of the Currency  
250 E Street, S.W.  
Washington, D.C. 20219

Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20429

Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Re: Restrictions on Proprietary Trading and Certain Interests in, and Relationships with, Hedge Funds and Private Equity Funds **OCC** Docket ID 2011-14 & RIN 1557-AD44; **FRB** Docket No. R-14 & RIN 7100 AD; **FDIC** RIN 3064-AD85; **SEC** File No. S7-41-11 & RIN 3235-AL07; **CFTC** RIN 3083-AC[●]

Ladies and Gentlemen:

SunTrust Banks, Inc. (“**SunTrust**”) appreciates the opportunity to comment on the proposed rules (the “**Proposed Rules**”) issued by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Securities and Exchange Commission and the Commodity Futures Trading Commission (collectively, the “**Agencies**”), implementing new Section 13 of the Bank Holding Company Act of 1956 (the “**Volcker Rule**”).

SunTrust has reviewed comment letters on the Proposed Rules drafted by the American Bankers Association, the Securities Industry and Financial Markets Association, and the Affordable Housing Investors Council and supports the positions expressed in those letters. The recommendations in this letter are intended to supplement the comments submitted by those associations in those letters in relation to small business, public welfare and historic restoration funds and the application of so-called Super 23A to such

funds. In addition, the following recommendations are in response to the specific requests for comment numbers 279 and 316 in the Proposed Rules.

SunTrust, with total assets of \$172.6 billion as of September 30, 2011, is one of the nation's largest banking organizations, serving a broad range of consumer, commercial, corporate and institutional clients. SunTrust operates an extensive branch and ATM network throughout the Southeast and Mid-Atlantic states and a full array of technology-based, 24-hour delivery channels. SunTrust also serves clients in selected markets nationally. Its primary businesses include deposit, credit, trust and investment services. Through various subsidiaries SunTrust provides mortgage banking, insurance, brokerage, investment management, equipment leasing and investment banking services.

One of SunTrust's primary missions is to serve the local communities in which it operates. One of the ways in which it does so is by making certain small business, public welfare and historic restoration investments via its subsidiary SunTrust Community Capital, LLC ("STCC"), including investments in funds that: (i) are organized as small business investment companies, as defined in section 102 of the Small Business Investment Act of 1958 (15 U.S.C. § 662); (ii) are designed primarily to promote the public welfare of the type permitted by 12 U.S.C. § 24(Eleventh), such as investments and funds that qualify for low-income housing tax credits or New Markets Tax Credits; or (iii) qualify for Federal historic tax credits or similar state programs (collectively, the "**Permissible Public Funds**"). STCC also sponsors and manages certain Permissible Public Funds which allocate tax credits to other investors. These investments and sponsorships provide valuable funding, expertise and assistance to, among other things, affordable housing for low and moderate-income individuals, job creation in low and moderate income areas, and areas targeted for redevelopment.

SunTrust appreciates that the Agencies provided in section \_\_.13(a) of the Proposed Rules that banking entities may both invest in and sponsor Permissible Public Funds. We believe that construing the exception in subsection (d)(1)(E) of the Volcker Rule to cover both investing in and sponsoring Permissible Public Funds is appropriate and consistent with Congressional intent to avoid disruptions of the small business, public welfare and restoration activities of banking organizations such as SunTrust. This will allow SunTrust to continue to be a strong source of equity to, and provide important organizational and administrative support for, Permissible Public Funds. These funds have long served as important mechanisms for delivering support to small businesses, low-income and other community housing projects and community preservation. SunTrust provides support to and invests in these funds and we appreciate that the Agencies have made it clear that the Volcker Rule will not serve as a barrier to SunTrust investing in and sponsoring these Permissible Public Funds.

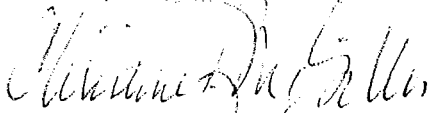
However, under the Proposed Rules, transactions between a banking entity and a Permissible Public Fund sponsored, advised or managed by a banking entity would be subject to the so-called Super 23A restrictions implemented in section \_\_.16 of the Proposed Rules. Application of these restrictions to Permissible Public Funds will impede the ability of banking organizations such as SunTrust to provide financing and

managerial expertise to these funds that support small businesses, affordable housing and jobs for low- and moderate-income individuals. For example, it is common industry practice for banking organizations which syndicate or sell Permissible Public Fund investments to third-party investors to provide a guaranty or other form of support to such investors. Therefore, if the section \_\_.16 Super 23A provisions apply, when SunTrust seeks to syndicate or sell Permissible Public Fund investments to third-party investors, SunTrust may no longer be able to provide guaranties or other forms of support in relation to the Permissible Public Funds which it sponsors and/or manages. Without a SunTrust guaranty or other form of support, many investors would not be able or willing to make these types of investments. As a result, these types of investments will become less attractive and the availability of capital for these vital programs will decrease.

In order to avoid these adverse consequences, we urge the Agencies to use their authority to exclude Permissible Public Funds from the definition of a "hedge fund" or "private equity fund." Alternatively, we urge the Agencies to use the exemptive authority in subsection (d)(1)(J) of the Volcker Rule to exclude Permissible Public Funds from the Super 23A restrictions. Doing so would allow SunTrust to continue to provide financing, related guaranties, other forms of support and managerial expertise to Permissible Public Funds.

SunTrust appreciates the opportunity to comment on this important proposal.

Very truly yours,



Christine R. McGillis  
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SunTrust Community Capital, LLC



David F. Bloom  
Senior Vice President and  
Deputy General Counsel  
SunTrust Banks, Inc.