

**Agencies Request Comment on Revised Statement Concerning
Elevated Risk Complex Structured Finance Activities**

The Federal bank and thrift supervisory agencies and the Securities and Exchange Commission today jointly requested public comment on a revised proposed statement concerning the complex structured finance activities of financial institutions. The revised statement describes the types of internal controls and risk management procedures that should help financial institutions effectively identify, manage and address the heightened legal and reputational risks that may arise from certain complex structured finance transactions.

The agencies have modified the revised statement in several important respects in light of the comments received on the original proposed statement, which was issued for comment on May 19, 2004. For example, the agencies have reorganized, streamlined and modified the statement to make the document more principles-based and focused on those complex structured finance transactions that may pose heightened levels of legal or reputational risk to a financial institution.

The revised statement would represent supervisory guidance for institutions supervised by the four bank and thrift supervisory agencies and a policy statement for institutions supervised by the Securities and Exchange Commission.

Comments on the revised statement should be received by [INSERT DATE]. The revised proposed statement is attached.

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Federal Register Notice

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