

Comerica Bank

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Julius L. Loeser
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By E-mail (regcomments@fincen.treas.gov)

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Financial Crimes Enforcement Network
P.O. Box 39
Vienna, VA 22183

Re: RIN 1506-AA85

Dear Sirs and Mesdames:

We are writing in response to your Advance Notice of Proposed Rulemaking ("ANPR") on the issue of access to banking services by money service businesses ("MSBs"). Comerica Bank, a Michigan-chartered bank that is a member of the Federal Reserve System, held assets amounting to \$53.6 billion as of December 31, 2006 and operates full service banking offices in Michigan, California, Texas, Arizona and Florida. The bank serves more than 600 MSBs and has a formal program to ascertain whether customers are MSBs, are registered with you, and have complied with state laws regulating MSBs. Where customers have not cooperated with these efforts, we have closed their accounts. Accordingly, we feel uniquely qualified to discuss access to banking services by MSBs.

We understand that many banks have exited the business of serving MSBs because of the added expense and complexity and potential liability of serving such businesses. Accordingly, it is conceivable that your good faith efforts to solicit public comment to address industry concerns may receive little banking industry response as so many banks have exited the business and, thus, ironically will have little interest in responding to the ANPR and thus will not do so.

Our main purpose in writing to you is to advise of one clear lesson our experience in serving MSBs and monitoring their compliance with your regulations and with state laws has taught us. Our experience is that these businesses generally are truly very small businesses, locally owned, what many call "mom and pop" businesses. As such, they, of course, lack compliance staff. They also cannot afford, and do not have ready access to, experienced regulatory legal counsel who can advise them of their obligations to register with you and secure proper state licenses. Oftentimes, these firms may be sole proprietorships and, thus,

have had no need to avail themselves of legal counsel, even if only to incorporate or draw up a partnership or limited liability company agreement. Even where an MSB does retain counsel to incorporate or to establish a partnership or LLC, the legal counsel it employs may not have any familiarity with state or federal MSB regulation.

The result is that most of the MSBs with which we have dealt, we discovered, had a much less sophisticated understanding of their regulatory obligations than we had. In most of the cases, there was a strong interest in obeying the laws and regulations once those were communicated to the MSBs. Accordingly, we believe that a necessary first step toward making banking services more readily available to MSBs is for someone, be it FinCEN, state regulators, or any MSB trade association, to educate MSBs on what is expected of them from a regulatory perspective. Once that step is completed, we believe, most MSBs are likely to readily comply, ultimately lessening the risk and cost of a bank doing business with MSBs.

Of course, the underlying premise driving bank unwillingness to serve MSBs is the potential liability a bank faces in serving an MSB if the bank does not ensure its customer MSBs comply with federal and state law. In a perfect world, banks would not face that liability and the problem would not exist. However, we realize that relieving banks of that unwritten responsibility is not "on the table" in your ANPR, and, even if it was, you could not prevent state and federal prosecutors from pursuing actions against banks that serve unregistered MSBs. That being the case, we believe that the solution to bank unwillingness to serve MSBs is to get MSBs to increase their compliance with the laws and regulations governing their activities; and our experience is that cannot be done without educating MSBs better as to their regulatory responsibilities.

A second, less significant, observation we would make is that it is our experience that some state MSB licensing regimes subject MSBs to an enhanced due diligence process quite similar to the process that banks, at the behest of our regulators, employ. Texas is an example of this. In such states, MSBs thus are questioned by, and required to submit documentation to, state licensing authorities and then re-questioned by, and re-asked to submit the same documentation to, each bank with which they wish to do business. Regrettably repetition of this process has to pose a burden on MSBs, especially in light of the small size of most of them. We expect that comment may be a common refrain in responses you receive from MSBs. We can verify it.

Thank you for the opportunity to express our views on this subject.

Best wishes,

A handwritten signature in black ink, appearing to read "Julius L. Loeser". The signature is fluid and cursive, with a large, stylized initial "J".

Julius L. Loeser