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Jennifer J. Johnson
Secretary
Board of Governors of the
Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Re: FR Y-6, FR Y-9 reports, FR Y-11, FR 2314 and FR Y-12

Dear Ms. Johnson:

TIAA-CREF writes regarding the Notice of Proposed Information Collection Activities ("Proposal") issued by the Board of Governors of the Federal Reserve System ("Board") dated August 25, 2011, regarding the financial reporting requirements the Board proposes to impose on savings and loan holding companies ("SLHCs").[1] We appreciate the opportunity to participate in the discussion of how the Board intends to implement the new supervisory authority over SLHCs that it received under Section 312 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("DFA").

I. Background

TIAA-CREF is a leading provider of retirement services in the academic, research, medical and cultural fields managing retirement assets on behalf of 3.7 million participants at more than 15,000 institutions nationwide. TIAA-CREF is an organization comprised of several distinct corporate entities whose overall assets under management or administration total $469 billion.[2] Teachers Insurance and Annuity Association of America ("TIAA") is a life insurance company domiciled in the State of New York which operates on a not-for-profit basis with general account assets of $206 billion. TIAA is a wholly-owned subsidiary of the TIAA Board of Overseers, a special purpose New York not-for-profit corporation. Based on their indirect ownership of TIAA-CREF Trust Company, FSB (total assets $337 million), TIAA and the TIAA Board of Overseers are registered as SLHCs and, effective July 21, 2011, became subject to supervision by the Board. The College Retirement Equity Fund ("CREF") issues variable annuities and is an investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940. TIAA-CREF also sponsors a family of equity and fixed-income mutual funds.

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[1] 76 FR 53129 (Aug. 25, 2011).

[2] All financial information as of June 30, 2011.

TIAA-CREF's mission is "to aid and strengthen" the institutions it serves and provide financial products that best meet their special needs. TIAA-CREF's retirement plans offer a range of options to help individuals and institutions meet their retirement plan administration and savings goals as well as income and wealth protection needs.

II. Financial Reporting

TIAA-CREF supports the exemptions to bank holding company ("BHC") reporting set forth in the Proposal and appreciates the flexibility shown by the Board in recognizing the challenges certain SLHCs would face in meeting bank-centric BHC reporting requirements. We believe that both the "look and learn" approach detailed in Supervisory Release 11-11 and the exemptions created under the Proposal are positive steps by the Board to find the proper balance between efficiency in administration and appropriateness of supervision and regulation for SLHCs grandfathered under Section 10(c)(9)(C) of the Home Owners' Loan Act and insurance-centric SLHCs.

We understand both exemptions are available to insurance company SLHCs and that the exemption for grandfathered SLHCs is not intended to be limited solely to commercial firms. We believe, however, that the Board should explicitly state that insurance-centric SLHCs with small thrift subsidiaries will be eligible for the grandfathered SLHC exemption. Clarity over the scope of the exemptions is vital to allow SLHCs to appropriately plan for, and allocate their resources to, meeting their regulatory reporting obligations.

With regard to the exemption for insurance company SLHCs that do not prepare financial statements under generally accepted accounting principles ("GAAP"), we believe the Board should clarify that this exemption to GAAP reporting applies to all of the Board's accounting and reporting requirements applicable to such an organization. For example, the instructions to the FR Y-6 report discuss the Board's policy of requiring audited financial statements for all BHCs with over $500 million in assets. The instructions state that such audits must be under GAAP. While it is unclear whether the Board's policy on audits applies to SLHCs as well as BHCs, we request that the Board clarify that, if such an audit is required for SLHCs, that it may be performed under statutory accounting principles ("SAP") for exempt insurance SLHCs. Similarly, section 238.4(a) of the Board's final interim rules can be read to impose a GAAP recordkeeping requirement on insurance-centric SLHCs, which is inconsistent with the exemption created under the Proposal. We hope the Board will clarify that a SLHC that only utilizes SAP should maintain records consistent with the accounting principles it utilizes. This is consistent with how the Board treats foreign banking organizations that do not utilize GAAP.

Under the Proposal, the Board retains discretion to (1) require BHC reporting from SLHCs that meet the technical requirements of the exemptions, or (2) not require a SLHC to file BHC reports even though it does not meet the technical requirements of the exemptions. While we believe such Board discretion is appropriate, it raises uncertainty for SLHCs and we would urge the Board to work with the Reserve Banks to communicate quickly to individual firms whether they are eligible for the exemptions and specifically what reporting requirements they will be expected to meet.

III. Coordination with NAIC

As we have discussed in our prior comment letters (see Letters, dated April 11 and May 23, 2011), Section 604 of DFA requires the Board to the "fullest extent possible" use reports that the SLHC or any subsidiary has been required to provide other federal or state regulatory agencies. Senate Report 111-176 clearly articulates Congressional support for "coordinated" regulation of SLHCs. We encourage the Board to work with the National Association of Insurance Commissioners ("NAIC") to utilize financial and organizational reporting requirements which already exist for insurance activities, such as existing insurance holding company organizational structure reports, rather than imposing additional regulatory reporting burdens on insurance-centric SLHCs. Such an approach would create efficiencies for the insurance industry as well as its state and federal supervisors.

In the Release, the Board states it will re-evaluate the exemption from GAAP reporting for certain insurance company SLHCs in connection with the development of consolidated regulatory capital requirements for SLHCs. As we discussed in our prior comment letters, we believe that the appropriate approach for measuring an insurance-centric SLHC's capital adequacy is to leverage the existing insurance company risk-based capital framework utilized by insurance supervisors and we would encourage the Board to work with the NAIC, state insurance regulators and the insurance industry to do so.

Conclusion

We are encouraged by the Board's recent actions to develop an appropriate model for supervising insurance-centric SLHCs. We support the exemptions to BHC reporting outlined in the Proposal and, in particular, the Board's determination that SAP reporting organizations, such as TIAA-CREF, do not need to "quickly build a duplicate accounting system that is GAAP-based." We appreciate the opportunity to continue to work with the Board as it determines the appropriate supervisory model to use for supervision of insurance-centric SLHCs.

Very truly yours,

Brandon Becker

Brandon Becker
Executive Vice President and Chief Legal Officer

cc: Ben Bernanke, Chairman of the Board of Governors
Daniel K. Tarullo, Member of the Board of Governors