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September 26, 2011

By Electronic Submission

David A. Stawick
Secretary
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-1090

Re: Stable Value Contract Study
Release No. 34-65153; File No. S7-32-11

To Whom It May Concern:

Invesco National Trust Company (INTC) appreciates the opportunity to comment on the Study of Stable Value Contracts.

The Commissions requested constituents provide comments on twenty-nine questions published in the Federal Register on August 25, 2011. We understand that, in response, both the American Bankers Association (ABA) and the Stable Value Investment Association (SVIA) provided detailed comments and responses. INTC has had the opportunity to review early drafts of their intended submissions, and we agree with and endorse the detailed responses from both the ABA and SVIA.

Invesco National Trust Company is a national bank, regulated by the Office of the Comptroller of the Currency that manages over $60 billion in commingled investment funds, including stable value commingled funds. The funds are established under 12 CFR 9.18(a)(2) and consist only of assets of retirement, pension, profit sharing and other trusts that are exempt from federal income tax. My comments are limited to the impact any swap rulemaking may have on the above mentioned stable value commingled funds

Although stable value investment contracts may have some technical characteristics of swaps, we believe they do not meet the intended definition under Title VII of Dodd-Frank. In the context of collective trust funds, Stable Value investment contracts are written agreements between a stable value commingled fund and a stable value contract issuer that cannot be traded, exchanged or assigned (without consent of the issuer) as described in FASB Codification Paragraphs 945-210-45-9 through 45-18. However, should the Commissions determine that investment contracts are to be considered swaps (perhaps on technical grounds); we believe they should be exempt from further unnecessary regulation.

Banks that offer stable value commingled funds are subject to rigorous and frequent examination, as well as extensive regulation by federal regulators such as the Department of Labor, the Internal Revenue Service and the Office of the Comptroller of the Currency (OCC), or by state regulators.

a) National Banks acting in a fiduciary capacity are subject to extensive and significant prudential regulations, including strict fiduciary obligations that ensure banks provide trust and fiduciary customers with fair treatments.
b) The extensive regulation and examination not only protect the interests of bank customers but also ensure the safety and soundness of the institution for the public good. With respect to fiduciary accounts, state and federal regulations address various aspects of these activities, including the fiduciary obligations of the bank, potential conflicts of interest, and the bank's management of transactional, strategic, compliance, and reputational risks. On-site examinations occur at least every eighteen months.
c) In addition, ERISA's fiduciary standard is one of the highest standards of care available under the law. ERISA provides that a retirement plan fiduciary must act with prudence and undivided loyalty to the participants in that plan.

Since their inception in 1973, stable value funds have undergone several severe tests. They survived the market fallout from the OPEC cartels, the severe stock market declines of 1973-4, 2000 - 2002, and the stock market crash of 1987, the interest rate spikes of the early 80's, the liquidity and credit crisis of the late 90's, the plummeting interest rates of the 21st century, economic boom and deep recession, the terrorist challenges to financial markets in 2001 and countless other daunting circumstances. With very few exceptions, they appear to have weathered the recent financial crisis. [1]

The existing regulatory frameworks impose differing sets of requirements and apply to groups of persons with differing relationships to employee benefit plan assets. Despite those differences, in many key areas, investment companies, bank collective funds, and insurance company separate accounts holding qualified retirement plan assets are subject to comparable (though not identical) and adequate regulation and additional regulation of stable value contracts is unnecessary.

Invesco National Trust Company appreciates the opportunity to comment on this matter. If you have any comments or questions we would be happy to discuss them with you. Please feel free to contract me directly.

Sincerely,

Robert D. Thomann

Robert Thomann
President

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[1] Babbel, David F. *Stable Value Funds: Performance to Date*. The Wharton School, at the University of Pennsylvania: January 2011.