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Memo

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Date: June 28, 2007

To: Members of the U.S. House of Representatives

From: Floyd Stoner, Executive Director, Congressional Relations & Public Policy

RE: Support for Garrett/Feeney amendment to prohibit the SEC from enforcing the requirements of Section 404 of the Sarbanes-Oxley Act for small businesses for fiscal year 2008

On behalf of the American Bankers Association (ABA), I am writing to express our support for an amendment being offered by Representatives Scott Garrett and Tom Feeney that would prohibit the Securities and Exchange Commission (SEC) from using appropriated funds to enforce the requirements of Section 404 of the Sarbanes-Oxley Act for non-accelerated filers for the SEC's fiscal year 2008.

This amendment defers enforcement of both the management assessment of internal reports and auditor attestation provisions of Section 404 until the federal fiscal year ending September 30, 2008. It gives the Commission the responsibility to follow through with the appropriate action to eliminate any legal uncertainty that this delay would create.

The Garrett/Feeney amendment will help prevent small businesses from being saddled with the additional financial burdens of Section 404 in the absence of evidence that the exorbitant costs have been successfully reduced as a result of the new guidance and rules expected to be issued by the Commission and the Public Company Accounting Oversight Board.

We urge your support for this important amendment.