



Michael P. Smith
President & CEO
New York Bankers Association
99 Park Avenue, 4th Floor
New York, NY 10016-1502
(212) 297-1699/msmith@nyba.com

January 6, 2011

Robert A. Stein
President, NCCUSL
University of Minnesota School of Law
229 19th Ave. South
Minneapolis, MN 55455

Michael Houghton
Chair, NCCUSL Executive Committee
Morris, Nichols, Arsht & Tunnell LLP
P.O. Box 1347
1201 N. Market St., 18th Floor
Wilmington, DE 19899

Judge Harriet Lansing
Chair, NCCUSL Scope and Program Committee
313 Judicial Center
25 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, MN 55155

Dear Commissioners:

In response to the December 14, 2010 Memorandum to the Study Committee on Payment Issues on Expanded Charge and Request for Further Action, the New York Bankers Association is submitting these comments opposing the expansion of the mission of the Study Committee and the creation of a Drafting Committee to revise Articles 3, 4 and 4A of the Uniform Commercial Code. There is no demonstrated need for a new drafting project, especially one of the breadth that is being contemplated, and the timing for such a project is questionable. Our Association is comprised of the community, regional and money center commercial banks and thrift institutions doing business in New York State. Our members have approximately 200,000 New York employees and world-wide assets in excess of \$9 trillion.

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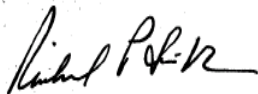
The December 14 Memorandum contains a range of issues that may be subject to a new drafting project. These issues include not only the traditional payments issues that have always been the subject of Articles 3, 4 and 4A of the Code, but also such items as the securitization and foreclosure of mortgages, electronic processing of drafts, particularly checks, risk allocation rules, prepaid payment devices, and the conversion of paper into electronic instruments. The drafting project, as proposed, would be breathtaking in scope and the memorandum contains very little documentation of any need for its implementation.

In addition, uniform developments in federal law, such as the Credit CARD Act, Check 21 and the payment system provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act, have committed to federal banking regulators responsibility for addressing many of these issues. During the next several years, bank law departments and many outside counsel will be fully occupied in gathering information and developing systems to comply with the new regulations necessitated under these statutes. As the memorandum itself notes, in describing the magnitude of the drafting project it is recommending, “[w]hat needs to happen ... to deal with all of these issues is so comprehensive, that trying to identify discrete issues is a fruitless enterprise.” Attempting a project of this scope and intensity at a time when so many participants in the payments mechanism are already overwhelmed with regulatory and compliance burdens, and when the payments system itself is in such flux, would be, at best, premature and, at worst, preclude the opportunity for many stakeholders to participate.

Our Association is unaware of any crisis in UCC payment system law that mandates a drafting project as broad in scope as that proposed. We strongly urge that the request of the Study Committee on Payment Issues be denied.

We appreciate the opportunity the Commission has provided to comment on this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael P. Smith". The signature is written in a cursive, flowing style.

Michael P. Smith