October 8, 2013

Internal Revenue Service

CC: PA: LPD: PR (Notice 2013-35)

PO BOX 7604

Ben Franklin Station

Washington, D.C., 20044

The Conference of State Bank Supervisors (CSBS) appreciates the opportunity to comment on the IRS Notice 2013-35 concerning the proposal to modernize the IRS conclusive presumptions regulation. In general, state regulators believe that coming up with a single, uniform and defined process for the IRS accepting the word of a bank regulator that a debt is worthless in whole or in part is a best practice of government. Ensuring that duplicative efforts by federal and state bank regulators and the IRS do not occur is in the best interest of all stakeholders.

State regulators believe the “Book Conformity Method” is the most appropriate method for achieving this goal. Any method adopted, however, should treat determinations by state and federal bank regulators equally. Responding to a specific question in the notice, state regulators believe a time limit of three years would be appropriate for accepting a bank regulators determination of debt as state regulators would not feel comfortable providing a letter more than three years after an examination.

Sincerely,

John Ryan