200 West Street I New York, New York 10282-2198
Tel: 212-902-1426 I Fax: 646-576-3214 I e-mail: tom.riggs@gs.com

Thomas S. Riggs III
General Counsel

Goldman
Sachs

March 3, 2015

The Honorable Elizabeth Warren   The Honorable Elijah Cummings
Ranking Member   Ranking Member
Senate Banking Subcommittee on   House Committee on Oversight and
Economic Policy   Government Reform
317 Hart Senate Office Building   2230 Rayburn House Office Building
Washington, DC 20510   Washington, DC 20515

Dear Senator Warren and Congressman Cummings:

We are writing in response to your January 29, 2015 request to Goldman Sachs regarding Section 716 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

As we explained to your staff at the meeting on February 5, 2015, Goldman Sachs was not actively involved in the Congressional debate related to Section 716 or the recent amendments to Section 716.

With this as background, please note the following:

1. As discussed, Section 716 has a *de minimis* impact on the firm as our derivatives holdings in Goldman Sachs Bank USA ("GS Bank") that would have been subject to push-out absent the recent changes to Section 716 are quite small (at last calculation less than 0.6% of GS Bank's total swaps holdings). GS Bank's swaps activity overwhelmingly consists of interest rate and currency derivatives that are not subject to Section 716.

2. We are currently in the process of finalizing our policies and procedures and preparing to implement Section 716, as amended. We expect that the definitions of "hedging" and "risk management purposes" and "structured finance swap" will be consistent with policies at the firm related to similar matters, as well as relevant regulatory requirements (e.g., the Volcker Rule).

3. We are prohibited by law from disclosing bank supervisory information and therefore cannot disclose our correspondence with the Federal Reserve related to these matters.

Our firm will continue to analyze the impact the modifications to Section 716 will have on our business practices and prepare to be in compliance by the effective date.

Sincerely,

Thomas S. Riggs
General Counsel
Goldman Sachs Bank USA