SUNTRUST

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MP&T Director – File Reference 1101-001 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

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Exposure Draft of the Proposed Statement of Financial Accounting Standards
Accounting for Stock-Based Compensation-Transition and Disclosure, an amendment of
FASB Statement No. 123

Ladies and Gentlemen:

SunTrust Banks, Inc. (SunTrust) welcomes the opportunity to provide our comments on the above referenced Exposure Draft.

SunTrust, headquartered in Atlanta, Georgia, is one of the nation's largest commercial banking organizations. The company operates through an extensive distribution network in Alabama, Florida, Georgia, Maryland, Tennessee, Virginia and the District of Columbia and also serves customers in selected markets nationally. SunTrust's primary businesses include deposit, credit, trust and investment services. Through various subsidiaries, the company provides credit cards, leasing, mortgage banking, insurance, brokerage and capital market services.

In general, we believe the proposed amendment to allow three alternative methods of transition in a voluntary change to the fair value method of accounting for stock-based employee compensation would cause inconsistency and confusion for the readers of financial statements. Three similar companies in the same line of business, each with a comparable number of outstanding options could choose a different transition method and reflect various amounts of stock-based compensation expense. In addition, a fourth company in the same line of business with a comparable number of outstanding options could choose to remain under the intrinsic value method and report no expense related to stock-based compensation.

The Board has suggested new disclosures to provide clarity among companies choosing different transition methods. We agree this is a positive step towards comparable and consistent reporting among companies. However, if the Board feels comparability and consistency of reported results is the desired goal, we believe that only one method of transition should be permitted. One transition method would at a minimum ensure consistency among companies in determining which awards should be used in calculating expense under the fair value method. Providing three methods from which to choose allows for inconsistencies. Further, should the Board decide to choose the current method of transition as stated in FAS 123, which is to recognize expense prospectively, the new disclosure requirements would ensure the readers ability to understand the impact of changing to the fair value method of accounting for stock-based compensation. We feel prospective recognition of expense, coupled with the new disclosure requirements, fulfill the

goal of comparable and consistent reporting of the impact of stock-based compensation to an organization.

We feel the current method prescribed in FAS 123 of prospective application to new awards is the most appropriate method of transition from the intrinsic method of accounting to the fair value method of accounting. While we recognize the "ramp-up" effect on reported compensation cost for the first few years, the impact to Net Income and EPS would be clearly reflected in the new disclosure requirements. Prior years would remain unchanged with no expense recognition.

Thank you for taking our comments into consideration. If you have any questions regarding our comments, please feel free to contact us at any time.

Sincerely,

Jorge Arrieta Senior Vice President and Controller