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March 15, 2011

Via Express Mail

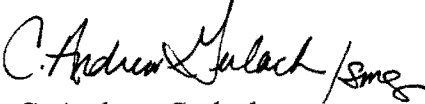
Mr. Matthew Lee,
Executive Director,
Inner City Press/Fair Financial Watch,
P.O. Box 580188, Mount Carmel Station,
The Bronx, New York 10458.

Re: Bank of Montreal's Application to the Board of Governors of the
Federal Reserve System

Dear Mr. Lee:

Further to the request of the Board of Governors of the Federal Reserve System (the "Board"), I have enclosed one copy of the public redacted version of a response provided by Bank of Montreal and certain of its subsidiaries ("Applicants") in connection with the Board's request for additional information regarding Applicants' application to the Board in connection with Applicants' proposed acquisition of Marshall & Ilsley Corporation.

Very truly yours,



C. Andrew Gerlach

(Enclosure)

cc: Andrew Karp
(Harris National Association)

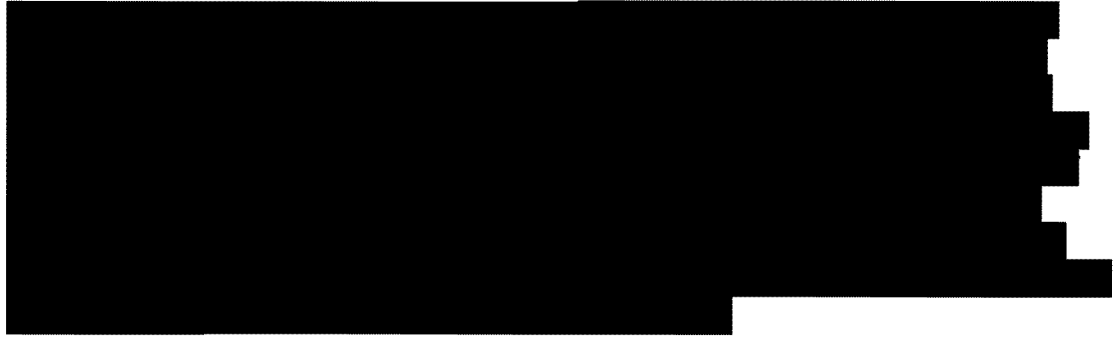
**Responses to the Request for Additional Information dated March 4, 2011
from the Board of Governors of the Federal Reserve System**

- 1. Describe the key elements of Applicants' policies, procedures and practices to ensure compliance with the fair lending laws as they relate to home mortgage lending and small business lending, as well as to monitor fair lending risk. Include in your response a discussion of any comparative file analysis, self assessments/audits, second review processes, complaints resolution processes, and fair lending training. In addition, describe any measures to prevent illegal pre-screening, discouragement, or exclusion of credit applicants. Indicate whose fair lending program -- Applicants' or M&I's -- will be implemented at the merged/surviving Harris N.A.**


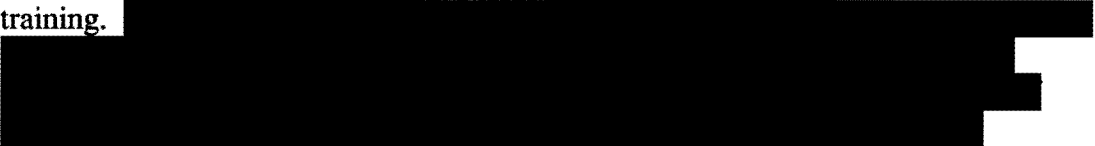
FAIR LENDING POLICY, PROCEDURES AND PROGRAMS

The Applicants have in place a comprehensive and systematic set of policies and procedures designed to ensure compliance with applicable laws and regulations, including those related to fair lending and consumer protection. Specifically with respect to fair lending, Applicants have a formal Fair Lending Policy that applies to operations of Bank of Montreal ("BMO") in the United States ("U.S. Operations"), including those operations involved in home mortgage and small business lending. A copy of this policy is attached as Confidential Exhibit A. The policy defines fair lending expectations and delineates the fair lending responsibilities of [REDACTED]

Applicants also have in place a separate Fair Lending Program (attached as Confidential Exhibit B), which provides further detail and expectations regarding the implementation aspect of fair lending compliance at U.S. Operations. The Fair Lending Policy is the governance document for Applicants' fair lending compliance. The Fair Lending Program outlines how fair lending compliance is executed. [REDACTED]



In addition to Applicants' specific Fair Lending Policy and Fair Lending Program, the Applicants maintain policies and programs that are designed to ensure compliance with applicable laws more broadly but that also support Applicants' compliance with fair lending obligations. These include the following:

- BMO U.S. Compliance Program: The BMO U.S. Compliance Program, attached hereto as Confidential Exhibit C, implements BMO's organization-wide policy requiring a strong, sustainable compliance management system that is consistent with regulatory and industry standards. The Compliance Program provides an overview of compliance responsibilities, regulatory risk assessments, compliance monitoring and training. 
- BMO U.S. Compliance Regulatory Risk Analysis Process: The BMO U.S. Compliance Regulatory Risk Analysis Process, attached hereto as Confidential Exhibit D, provides details regarding the Applicants' risk assessment process.
- Bank of Montreal – U.S. Compliance Regulatory Training Program: The Bank of Montreal – U.S. Compliance Regulatory Training Program (“Compliance Training Program”), attached hereto as Confidential Exhibit E, provides details regarding the Applicants' compliance training program. The Compliance Training Program and the training components of the Fair Lending Program discussed above provide for ongoing training of lending staff using computer-based as well as face-to-face training. 

In addition to internal training, bank management, line of business and compliance staff also attend outside conferences, seminars and other training sessions dealing with fair lending and consumer protection laws and regulations at the recommendation of BMO U.S. Compliance. This allows staff to remain current on fair lending and consumer compliance issues.

The Applicants will implement Applicants' Fair Lending Program and Fair Lending Policy for the combined organization.

SELF-ASSESSMENT AND MONITORING

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- 2. Elaborate on the statement contained on pages 12 & 13 of the application that Applicants will review M&I's existing products and services as well as Applicants' current products and services with a view to selecting elements from each to meet the needs of the communities that the combined organization will serve. Specifically, other than Applicants' plan to decrease emphasis on commercial real estate lending, indicate whether any other products or services will be eliminated as a result of this application.**

[REDACTED]

Applicants do expect to deemphasize commercial real estate lending and, in general, plan to implement improvements to risk management practices across all products relative to the current practices and products provided by M&I Bank and M&I Bank FSB.

- 3. Indicate if branch closures are contemplated as a result of this application, and if so, specify which ones are in low- and moderate-income areas, and discuss any efforts to mitigate potential adverse effects of such closures.**

Upon consummation of the merger of M&I Bank and the national bank successor to M&I Bank FSB with and into Harris, the offices and branches of M&I Bank and M&I Bank FSB's national bank successor will continue to operate as branches of Harris. Applicants will continue to assess the branch footprint of the resulting institution, both prior to and after consummation of the merger, as part of the integration process. Applicants have no current plans to close branches, however, Harris may determine to consolidate branches, in accordance with applicable law, where there are overlapping branches serving the same locality and may consolidate or close underperforming branches in the ordinary course.