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Peter A. Roberts
Founder and Chief Executive Officer

August 4, 2005

VIA EMAIL – comments@fdic.gov

Mr. Robert E. Feldman
Executive Secretary
Attn: Comments/Legal ESS
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

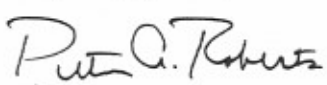
Re: Part 330 - Accounts of Qualified Tuition Programs

College Savings Bank would like to commend the Federal Deposit Insurance Corporation ("FDIC") for diligently working to resolve the recent issue on the availability of "pass-through" insurance treatment for participants in certain 529 qualified tuition savings plans whose funds are invested in certificates of deposits. We support the Interim Final Rule amendments to the insurance regulations, which provide that deposits of a state public instrumentality that is an investment trust for a qualified 529 tuition savings plan may be insured on a "pass through" basis if the deposits are traceable to individual plan investors and the FDIC "pass through" disclosure rules are satisfied. We believe this amendment is consistent with Congress' intention to encourage savings for "post-secondary educational expenses" when establishing Section 529 of the Internal Revenue Code and that this amendment will allow existing and future participants in qualified 529 tuition savings plans to take full advantage of an investment in certificates of deposit.

While fully supporting the Interim Final Rule, we have a minor clarification to suggest. We believe the final sentence of the Interim Final Rule should be amended to read as follows: "If these conditions are satisfied, each participant's funds shall be insured as a deposit account of the participant." This minor change would clarify that the participant's funds will be treated as a deposit account with respect to all of the other deposit insurance coverage rules set forth in 12 C.F.R. Part 330. It would, for example, further ensure that the participant's funds covered by this subsection would be aggregated with other deposit accounts of the participant held in the same bank, where appropriate, or would be appropriately segregated from other deposit accounts held by the same participant provided there are separate qualifying designated beneficiaries.

Once again, College Savings Bank fully supports the Interim Final Rule as adopted. However, to the extent the minor clarification is feasible, we believe this would avoid any potential confusion on a going forward basis.

Very truly yours,



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