August 16, 2006

VIA ELECTRONIC MAIL

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

Re: RIN 3064-ADO7

Dear Mr. Feldman:

KeyCorp is submitting this letter in response to the notice of proposed rulemaking published in the Federal Register on May 18, 2006, by the Federal Deposit Insurance Corporation (the "FDIC") regarding the proposed rule (the "Proposed Rule") to implement the dividend requirements in the recently enacted federal deposit insurance reform legislation.

KeyCorp is a bank-based financial services company with consolidated total assets of nearly $95 billion as of June 30, 2006. Among its subsidiaries is KeyBank National Association, an FDIC-insured depository institution with approximately $91 billion in consolidated total assets and consolidated total domestic deposits of approximately $57 billion. Keycorp and its subsidiaries provide investment management, retail and commercial banking, consumer finance, and investment banking products and services to individuals and companies throughout the United States and, for some businesses, internationally.

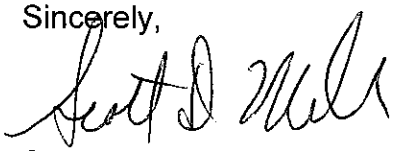
Overall, KeyCorp supports the Proposed Rule. In particular, KeyCorp supports the FDIC's decision to allocate future dividends in proportion to an institution's 1996 assessment base ratio (including any predecessors' 1996 ratios) for an initial period having a definite sunset date. KeyCorp also agrees with the definition of "predecessor" in the Proposed Rule. KeyCorp does not support expanding the definition of "predecessor" to include an institution that has transferred deposits in a purchase and assumption transaction which does not constitute a legal merger or consolidation.

KeyCorp offers one suggestion which it feels would improve the Proposed Rule. Under the Proposed Rule, the FDIC Board is required to determine before May 15 of each calendar year whether to declare a dividend (and if there is to be a dividend, its amount) based upon the DIF reserve ratio as of December 31st of

the preceding year. Improvements in regulatory reporting data from institutions as well as in FDIC data systems capabilities should enable the FDIC Board to make its determinations prior to May 15th. If so, earlier determinations would assist institutions in projecting their net deposit insurance costs sooner in their budget processes. KeyCorp proposes that the May 15 date be changed to March 31.

KeyCorp appreciates the opportunity to comment on the Proposed Rule. If there are any questions concerning our comments, please feel free to contact the undersigned by telephone at (216)-689-3691 or by electronic mail at scott_miller@keybank.com.

Sincerely,



Scott D. Miller
Senior Vice President & Senior Managing Counsel
KeyBank National Association