

October 27, 2006

MEMORANDUM TO: Executive Secretary

FROM: Diane Ellis
Associate Director, Division of Insurance and Research
Federal Deposit Insurance Corporation

SUBJECT: Meeting of FDIC Chairman and staff with a Coalition of
Institutions

Please include this memorandum in the public file on the Notice of Proposed Rulemaking on Risk-Based Assessments and the Designated Reserve Ratio.

On October 26, 2006, the Chairman of the FDIC and staff met with representatives of Venable (LLP), ING DIRECT, Countrywide Bank, Charles Schwab Bank, E*TRADE Bank, Morgan Stanley and Discover Bank, Nationwide Bank, and Merrill Lynch Bank USA. This memorandum memorializes that meeting.

The representatives reiterated their views, previously expressed in a joint, August 16, 2006 comment letter, on the proposed rules for the Designated Reserve Ratio, One-Time Assessment Credit, and Dividend Requirements; as well as their views, previously expressed by several of the institutions in individual comment letters, on the proposed rule for the Risk-Based Assessment System.

The discussion was focused on the treatment of new institutions and actual assessment rates beginning in 2007.