Bank of America

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August 2, 2006

BY ELECTRONIC MAIL

Mr. Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429
Attn: RIN 3064-ADO7 and RIN 3064-ADO8;
comments@fdic.gov

Re: Proposed Regulations Implementing Federal Deposit Insurance Reform Act of 2005

Dear Madams and Sirs:

Bank of America Corporation ("Bank of America") appreciates the opportunity to comment to the Federal Deposit Insurance Corporation (the "FDIC") regarding the FDIC's proposed regulations implementing the Federal Deposit Insurance Reform Act of 2005 (the "Reform Act"). Bank of America, with over $1.3 trillion in total assets, operates the largest banking network in the United States, with full-service consumer and commercial operations in 30 states and the District of Columbia. Bank of America provides financial products and services to over 33 million households representing one out of three households within its franchise as well as two million businesses, and provides international corporate financial services for clients around the world.

Bank of America supports the efforts of the FDIC and its proposed regulations to implement the Reform Act. Bank of America would specifically like to express support for the FDIC's proposed methodology for defining "predecessor" and "successor" banks for purposes of calculating the one-time assessment credit and for calculating potential FDIC dividends. Bank of America believes it is most appropriate that these terms should be based solely upon institutions that result from mergers and consolidations of legal entities. Bank of America opposes suggested alternative methodologies discussed in the proposal that would base predecessor and successor institutions on attempts to "following the deposits" (i.e., tracing deposit transfers or branch sales outside of a merger or consolidation of legal entity). Bank of America favors the current FDIC proposal for two reasons.

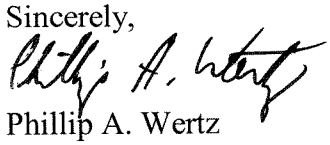
First, the merger and consolidation methodology provides more certainty and clarity and will be easier to administer by the FDIC. Publicly available information on file with the FDIC contains records of mergers and consolidations, but not necessarily branch or deposit sales. A "follow the deposits" methodology could require individual banks to present evidence about the terms and

conditions of such deposit transfers, which are not necessarily uniform. Banks may disagree about the terms of particular transactions and the FDIC would be forced to make case-by-case decisions. The FDIC's implementation of the Reform Act could be mired in lengthy debates and appeals about which party is entitled to the premium credits and decisions would be based upon unique facts that could create inconsistent results. The merger and consolidation methodology is simple, easy to administer and easily verifiable.

Second, it is incorrect to assert that the rights to deposit insurance premium credits rightfully should "follow the deposits" because the purchaser or subsequent holder of those deposits has paid for or is entitled to such benefit. We believe that rights to premium credits belong with the legal entity that actually paid the assessments up through 1996. Even if deposits were subsequently sold to another institution post-1996, it does not follow that the parties had any agreement about payment of past premiums, future premiums or future assessment credits. Branch or deposit sales have not historically factored in deposit insurance assessments, let alone the possibility of a future premium assessment credit, in the consideration, terms and conditions for a transaction. Any sales of branches or deposits subject to the proposals would have occurred over a ten-year period since 1996, long before the Reform Act was even a reasonable possibility, let alone passed and implemented.

We thank you for your consideration of our comments.

Sincerely,



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