

ZIONS BANCORPORATION

CORPORATE COMPLIANCE
One South Main Street, Suite 1100
Salt Lake City, Utah 84111
(801) 844-7954
FAX (801) 524-2277

April 7, 2008

Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW, Room F-1066
Washington, DC 20429

RE: Large-Bank Deposit Insurance Determination Modernization Notice of Proposed Rulemaking (NPR)

To Whom it May Concern:

On behalf of Zions Bancorporation I wish to thank the FDIC for providing us with the opportunity to comment on the FDIC Insurance Modernization NPR's insurance determination process published in the Federal Register.

Zions Bancorporation is a \$50.9 Billion bank holding company with banking offices located in Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Texas, Utah, and Washington. Four of the eight banking institutions held by Zions would meet the requirements outlined for the provisions covered in "Part 2" of the NPR.

In summary, Zions understands that there is inherent regulatory and financial burden associated with a proposal of this nature. Zions believes, however, that the current proposal fails to adequately distribute that burden based on the actual risk of bank failure and saddles covered institutions with the burden, creating a competitive disadvantage for institutions required to meet the standards of Part 2 as outlined in the NPR.

Determining the Risk of Failure

The NPR would establish the tightest controls based on the volume of accounts by *count and amount*. As noted in the proposal, the rules outlined in Part 2 would apply to nearly 70 percent of all domestic deposits. While this covers the majority of deposits, it is arguably focused on those deposits with the lowest risk of failure based on historical patterns, current trends, and the expertise of policy makers.

Historical Patterns

The FDIC website¹ identifies nearly 30 institutions that have failed since October 2000. It is significant to note that none of these institutions would have been held to the standards outlined in Part 2. The FDIC made note of the largest of these bank failures, Netbank, which still did not penetrate the requirements of Part 2. History illustrates that the deposits held at smaller institutions are at greatest risk.

¹ <<http://www.fdic.gov/bank/individual/failed/banklist.html>>
