

From: Mike Murphy [mailto:MMurphy@bankfab.com]
Sent: Wednesday, June 24, 2009 10:00 AM
To: Comments
Subject: RIN # 3064-AD37 Transaction Account Guarantee Program

Good morning.

Our Executive Team appreciates the ability to comment on the Extension of the FDIC Transaction Account Guarantee Program. We firmly believe there is a need to extend the program. However, we disagree with the proposals as presented.

First, dropping the program as the economy remains in turmoil seems unwise. Consumer confidence is just now starting to see a resurgence following record low levels. However, more bank failures are coming every week and unemployment numbers will soon exceed 10% nationally. The program provides more of a confidence boost than anything. And we did not see anything in the proposal of if it has actually cost the FDIC anything thus far.

Second, extending the program by only six months does little, especially if you increase the costs to banks who participate by 150%. What is the reason for the increase in the fee? And why extend for just six months? The change in the FDIC insurance coverage from \$100,000 to \$250,000 was extended by four years.

We would suggest the following alternative. Extend the December 31, 2009 deadline for the Transaction Guarantee Program by one year until December 31, 2010 with no change in costs to the bank. If a change in costs is needed then we suggest that you tie the cost to the banks based on their assessment rate. That way, the banks that pose the most risk to the fund would pay the most.

Again, we appreciate your consideration of our comments and wish you the best as you struggle with helping heal our industry from the damage done by a few banks during this troubled time.

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