

Yesterday, Today and Tomorrow... Your Bank for Life.

July 9, 2009

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

**Via E-mail:** [Comments@FDIC.gov](mailto:Comments@FDIC.gov)

Subject: Assessments RIN 3064-AD37

The Morrill & Janes Bank and Trust Company welcomes the opportunity to comment on the FDIC's Notice of Proposed Rulemaking which outlines alternatives to the FDIC's Temporary Liquidity Guarantee Program to extend the Transaction Account Guarantee (TAG) Program. The Morrill & Janes Bank and Trust Company is nearly a \$500 million bank headquartered in Merriam, Kansas and operates mostly in rural and urban Northeastern Kansas. Founded in 1871, we are a full-service community bank, offering a broad range of competitive products and services.

***Should the TAG be extended beyond the end of 2009 and for what period?***

As a community bank, TAG is a way to compete against larger banks which have been deemed "too big to fail". Without the insurance guaranty of TAG, large commercial customers with balances greater than the FDIC insurance limit will leave smaller, community banks and concentrate their deposits into larger money-center banks. This could potentially cause a greater concentration of risk at these larger banks and continue to create/encourage an unequal playing field. The TAG Program effectively levels the deposit acquisition playing field between larger and small banks.

In this environment, liquidity risk is a major issue facing banks, in part, due to the difficulty in maintaining adequate levels of low-cost deposit balances. TAG helps maintain and attract large customer low-cost deposits rewarding customers with unlimited insurance on these low-cost deposit accounts.

We are in favor of an extension of the TAG Program beyond December 31, 2009 and submit that the deadline be extended to at least December 31, 2010 and possibly beyond due to the economic crisis and potential length of time anticipated for a full economic recovery to occur.

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***Should the TAG fees be raised for the extended period?***

We believe that the fee of 25bp should be adjusted and assessed according to risk. Current FDIC insurance premiums are tiered based on the measured risk of a bank. We believe that a similar methodology should be developed. 25bp could be a rate cap, but we believe that the bottom premium should be close to the current premium of 10bp.

Thank you for the opportunity to comment on this very important matter facing community banks and the entire financial industry.

Sincerely,



Kurt Saylor  
Chief Executive Officer



Rhonda McHenry  
Chief Administrative and  
Operating Officer

Morrill & Janes Bank and Trust Company  
6740 Antioch Road  
Merriam, KS 66204