July 6, 2009

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

Dear Mr. Feldman:

I believe the Transaction Account Guarantee Program (TAGP) should be extended until December 31, 2010, with the same fee structure as the current program. An extension would provide significant benefits to thousands of financial institutions, thousands of communities and consequently to the economy as a whole.

Extension of the TAGP will also be a small step toward addressing a portion of the "too big to fail" problem. Numerous public officials, including FDIC Chairman Sheila Bair, have called for action to address this dilemma. Your proposed rulemaking statement refers to account holders withdrawing their uninsured balances from insured depository institutions (IDIs). The fact of the matter is that they were being withdrawn from smaller IDIs and being transferred to large IDIs that depositors perceive, correctly, as being too big to fail. Those transaction account balances were not being withdrawn from the banking system; they were being redistributed into the select group of mega-banks.

Retaining the current fee structure and extending the expiration of the program will have complimentary benefits. Maintaining the 10 basis point premium will encourage greater participation from the thousands of healthy banks in the system. Collecting it over a longer period of time, in a strengthening economy, will generate additional revenue and hopefully it will be collected during a period of significantly fewer bank failures. That is the way insurance is supposed to work. Premiums are reserved during good times and paid out in bad. It is reasonable to assume that over a period of time our economy will improve and the banking system will stabilize.

Thank you very much for your consideration.

Sincerely,

John E. Kramer
President