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Dennis L. Brand
Chief Executive Officer

July 17, 2009

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

Subject: FDIC FIL-34-2009 Notice of Rulemaking
Potential Extension TAG Program

The Transaction Account Guarantee (TAG) Program implemented in October, 2008 has helped stabilize deposits throughout the banking system and provide confidence to many individuals and businesses, at a time when the financial services industry was under tremendous stress. BancFirst, a \$4.2 billion bank in Oklahoma, "opted" to participate in the program due solely to competitive pressures, realizing at that point in time, our significantly large deposit customers would place a higher importance on unlimited deposit insurance rather than the bank's equity and liquidity; both of which are strong and more than sufficient to support current operations. Many banks that are highly illiquid needed this deposit guarantee program to retain their deposits just to fund current assets and daily operations.

Your agency has reported that the TAG Program has paid out \$840 million to cover deposits, yet expects to receive \$700 million in fees. Of the \$840 million paid out, the largest loss came from one institution, \$693 million from Silverton Bank, Atlanta, Ga. Additionally, the FDIC has generated \$8 billion in fees under the debt guarantee program, another program under the FDIC's Temporary Liquidity Guarantee Program (TLGP). To date, the debt guarantee program has not incurred any losses. This program is not a "deposit" guarantee program, but an FDIC program to help banks, primarily large money center banks, maintain liquidity on issued debt. As previously communicated by the FDIC, the TLGP revenues were to be considered on a combined basis; therefore, there is no basis for an increase in the fee for the TAG Deposit Guarantee Program.

Regarding the two alternatives the FDIC has proposed:

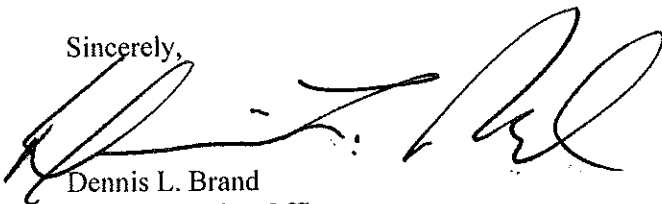
- (a) BancFirst supports the first proposed alternative for no change to the FDIC's current regulations. The TAG Program should expire on December 31, 2009. Therefore, putting all banks on a "level playing field". The banks that required capital have had time to apply and access the Treasury's Capital Purchase Program. They will have had time to restructure and/or make plans to improve their overall liquidity. Those banks that have not done so should be required to put a plan in place by your agency and/or their primary regulator.

- (b) BancFirst **does not** support an extension of the TAG Program. However, if it is decided to extend the TAG Program then fees should not be increased. By extending the program and/or increasing the fees penalizes banks that have maintained strong capital ratios, strong liquidity, and a prudent loan to deposit ratio. Furthermore, revenue available to the FDIC generated from the 10 basis points should continue to increase as deposit balances eligible for the TAG Program expand. As an example, deposits covered by the program in BancFirst have grown from \$308 million in December, 2008 to \$512 million at June 30, 2009. If you decide to increase fees, we strongly recommend the fees be tiered based upon a risk based formula, to include a larger fee assessment against brokered deposits.

Regardless of the option, the FDIC needs to determine an expiration date for the TAG Program and adhere to that date. Furthermore, this date should be highlighted in the FDIC's published release of its decision so that banks and depositors can plan accordingly.

Thank you for the opportunity to provide input and share comments and observations regarding the TAG Program.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis L. Brand". The signature is fluid and cursive, with a large loop at the end.

Dennis L. Brand
Chief Executive Officer