



July 21, 2009

The Honorable Sheila C. Bair
Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Re.: Notice of Proposed Rulemaking Regarding Possible Amendment of the Temporary Liquidity Guarantee Program to Extend the Transaction Account Guarantee Program with Modified Fee Structure (RIN 3064-AD37)

Dear Chairman Bair:

The National Association of State Treasurers, an organization that represents the treasurers and chief financial officers of all fifty U.S. states and the District of Columbia, adopted on July 20, 2009, an official resolution on the subject of the proposed rulemaking. I have been authorized by the association to transmit the essence of that resolution to you. In short, our resolution endorses the second of the two FDIC alternatives (“Alternative B”) set forth in the notice, whereby the FDIC would extend the Transaction Account Guarantee Program until at least June 30, 2010. In addition, in its Request for Comments the FDIC asks whether if the TAG Program were to be extended beyond its currently-scheduled expiration date, would six months be the appropriate extension, or should a different extension period be considered. NAST urges the FDIC to consider extending the TAG Program for a full year beyond its current proposed expiration date, i.e., to the end of calendar year 2010.

Approximately \$700 billion in public and private funds is deposited in accounts that are covered by the Transaction Account Guarantee Program, and this program provides important liquidity for many financial institutions. We believe that extending the TAG Program is vital to guaranteeing the financial health and economic recovery of the country. It is clear to us that our country requires additional time for economic conditions to improve, and NAST’s members believe that an extension of the TAG Program—including the longer extension through December 31, 2010—would have a positive impact on our economic recovery. This extension would strengthen protection for public funds by maintaining full insurance coverage for non-interest-bearing accounts until economic conditions improve. We therefore urge the FDIC to extend the Transaction Account Guarantee Program through at least June 30, 2010, with serious consideration given to its extension through December 31, 2010.

Sincerely,

A handwritten signature in black ink that reads "Jeb Spaulding". The signature is written in a cursive, slightly slanted style.

Jeb Spaulding
NAST President and Vermont State Treasurer

President

Jeb Spaulding, Vt.

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