

**From:** Lavacca, Mike [mailto:mike.lavacca@firstcitizens.com]  
**Sent:** Thursday, July 23, 2009 7:53 AM  
**To:** Comments  
**Cc:** Connell, Hope; Woodward, Allen; Williams, Cara; Slack, Jeff; Parker, Jay  
**Subject:** RIN 3064-AD37

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

Re: RIN No. 3064-AD37

Comments on Notice of Proposed Rulemaking – Potential Extension of Transaction  
Account Guarantee Program

Dear. Mr. Feldman:

IronStone Bank appreciates the opportunity to comment on the Federal Deposit Insurance Corporation's (FDIC) Notice of Proposed Rulemaking (NPR) regarding the potential extension of the Transaction Account Guarantee (TAG) Program. Two alternatives are outlined in the NPR. Alternative A would result in no change to the FDIC's current regulation, allowing it to expire on December 31, 2009. Alternative B would extend the TAG Program until June 30, 2010, and increase applicable participation premiums from 10 basis points to 25 basis points during the proposed extension period.

While IronStone recognizes the important part the TAG Program has played in restoring consumer confidence in financial institutions during the financial crisis, we support adoption of Alternative A. The FDIC should allow the program to end on the originally established expiration date of December 31, 2009. We support Alternative A given the moderation of market volatility and risk aversion since the fall of 2008. In addition, expiration of the TAG Program will allow banks to reallocate the 10 basis point premium and add liquidity back to their balance sheets. Extension of the program, along with an increase in the premium to 25 basis points, will serve to further reduce participating bank liquidity that could provide additional access to much needed credit in the communities we serve.

IronStone Bank and other well-capitalized financial institutions have no need to extend their participation in the TAG Program and, in turn, be assessed additional, increased fees. If Alternative B is chosen, sound banks that elect to opt-out would be obligated to disclose the opt-out and be subject to identification on the FDIC website. These disclosures increase the risk that sound banks will lose deposit relationships to potentially weaker banks that need the additional deposit insurance guarantee to retain large depositors.

Again, IronStone Bank appreciates the opportunity to comment on this proposed rulemaking. Our bank is a subsidiary of First Citizens BancShares, Inc. of Raleigh, North Carolina, and has more than \$2.6 billion in assets. IronStone serves 12 states and operates 56 branches. If you have any questions or need additional information, please contact me by e-mail at [Hope.Connell@ironstone.com](mailto:Hope.Connell@ironstone.com) or by telephone at (919) 716-2770.

Sincerely,

Hope Connell  
President, IronStone Bank