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July 22, 2009

\*\*\*Delivered Via Electronic Mail to comments@FDIC.gov\*\*\*

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

RE: RIN #3064-AD37

Dear Mr. Feldman:

We appreciate the opportunity to respond to the FDIC's request for public comment on the FDIC Notice of Proposed Rulemaking to amend and extend the TAG program. United Bank is a small community bank serving Northwest Arkansas and is a supporter and beneficiary of the TAG program.

Since the inception of the TAG program, along with other features of the TLGP, UB has seen an increase in deposits in spite of almost daily negative news about the health of the banking industry. Furthermore, we have been able to grow deposits in spite of competition from the large banks who an implied guarantee from the government because they have been deemed "too big to fail."

We have reviewed the FDIC's request for comment and submit the following opinion:

1. Is a six month extension appropriate? No, we feel that the economy has not yet shown significant signs of improvement. Furthermore, depositors are still exposed to news of bank failures almost daily. We recommend that the TAG program be extended to, at least, December 31, 2010 and then re-evaluated at that time.
2. Should the FDIC reduce the maximum interest rate for NOW accounts that qualify for the FDIC's guarantee under the TAG program? No, the current maximum rate of 0.50% allows smaller community banks to effectively compete with the large banks that have received an implied guarantee from the government. Furthermore, making changes in the rates and amounts of coverage in program would confuse depositors.
3. Is the increase in fees appropriate? A modest increase would be tolerable; however, the proposed fee of 25 basis points would be too much too quickly. We suggest a graduated fee based on the composite rating of the institution that is implemented in a gradual way.

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Again, we appreciate the opportunity to comment on the proposed changes to this program. In summary, we hope the FDIC will extend this program at a reasonable cost to participating banks.

Best regards,



John Scott  
President & CEO

cc: Congressman John Boozman \*\*\*Via Facsimile to (202) 225-5713\*\*\*  
Senator Blanche Lincoln \*\*\*Via Facsimile to (202) 228-1371\*\*\*  
Senator Mark Pryor \*\*\*Via Facsimile to (202) 228-0908\*\*\*