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**From:** Bill Mitchell [mailto:bmitchell@bbwest.com]  
**Sent:** Tuesday, July 28, 2009 10:00 AM  
**To:** Comments  
**Subject:** RIN # 3064-AD37

Subject: RIN # 3064-AD37: Potential extension of the Transaction Account Guarantee Program

Bankers' Bank of the West (BBW) appreciates the opportunity to comment on the Federal Deposit Insurance Corporation (FDIC) proposed rulemaking concerning the extension of the Transaction Account Guarantee (TAG) Program, a component of the FDIC's Temporary Liquidity Guarantee Program (TLGP).

BBW is one of 20 commercial bankers' banks and provides a wide range of correspondent services to nearly 400 community banks. We support the FDIC's effort to provide tools that help to establish confidence in the financial sector. We feel the TAG program does just that, and believe it should be extended. One of the alternatives proposed is a six-month extension. We support an extension of any type, but feel an extension through the end of 2010 with adequate opportunities to opt out would help to even further stabilize the economy and the banking industry.

BBW plays a vital role in helping many community banks meet the needs of their customers. Adequate funding is integral to our ability to meet the needs of those community banks. We believe the TAG program has helped stabilize the deposit levels at community banks, and also those at BBW. In fact, we have experienced a significant increase in deposits since the inception of the program. Some of this is due to the increase in overall liquidity in the market. Increased deposit insurance coverage to \$250,000 for consumer accounts has helped, too. But, we believe the TAG program has played an equally significant role as well in stabilizing the banking industry by providing additional liquidity for banks and increasing overall confidence in the industry.

As a bankers' bank, Bankers' Bank of the West does not accept direct deposits from consumers or commercial accounts. However, we do hold deposits for consumer banks, and have witnessed a significant increase in deposits held at BBW since the inception of the TAG program. With sufficient deposits, as well as other important funding sources, BBW is able to assist banks by purchasing loan participations, thus freeing up liquidity at the community bank level for further lending.

The second alternative being proposed also includes an increase in the fee charged for participation in the program from 10 to 25 basis points. We will likely continue to participate in the program if extended even with increased fees, but we do feel that the proposed increase in the fee structure is excessive. We understand the desire to cover the costs for failed institutions, but feel that this fee increase punishes banks that are



critical for the economic recovery of our country. Every dollar spent on FDIC fees is one less that can be utilized towards assisting our customer banks.

Again, thank you for allowing us the opportunity to comment on the FDIC TAG Program proposal.

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