



July 29, 2009

VIA E-MAIL

Mr. Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
Comments@FDIC.gov

RE: RIN #3064-AD37, Possible Amendments of the Temporary Liquidity Guarantee Program to Extend the Transaction Account Guarantee Program with Modified Fee Structure

Dear Mr. Feldman:

The Wisconsin Bankers Association (WBA) is the largest financial trade association in Wisconsin, representing approximately 300 state and nationally chartered banks, savings and loan associations and savings banks located in communities throughout the state. WBA appreciates the opportunity to comment on the Federal Deposit Insurance Corporation's (FDIC) proposal to possibly extend the Transaction Account Guarantee Program (Program) to June 30, 2010.

FDIC's proposal sets forth two alternatives. Alternative A would permit the Program to expire on December 31, 2009, as provided in existing regulations. Alternative B would extend the Program until June 30, 2010, but the extension would be coupled with increased fees for participation (25 basis points rather than the current 10 basis points on deposits in non-interest bearing transaction accounts), a reduction in the interest rate for NOW accounts to remain eligible under the Program (0.25% rather than the current 0.50%), and possible new disclosure requirements. FDIC claims that the modified fee structure would allow for FDIC to balance the income generated from Program fees with potential losses associated with the Program; furthermore new disclosures are necessary to identify whether an institution is or is not participating in the extended Program.

For the following reasons, WBA recommends FDIC extend the Program until June 30, 2010; however, WBA believes the Program's existing fee structure and interest rate provision for NOW accounts should remain unchanged.

First, the Program has proved to be an important tool to promote stability in the financial industry and foster public confidence in the banking system. However, market conditions do remain somewhat volatile which, in turn, can cause public confidence to fluctuate. Thus, WBA believes extending the Program through June 30, 2010, will help to further stabilize the industry and promote public confidence in the banking system.

4721 SOUTH BILTMORE LANE
MADISON, WI 53718

P. O. BOX 8880
MADISON, WI 53708-8880

608-441-1200
FAX 608-661-9381

www.wisbank.com

Second, extending the Program provides each participating institution with the flexibility to determine whether or not it is appropriate to continue participating based upon its particular facts and circumstances.

Third, FDIC has not provided sufficient data to support that Program costs have increased and, therefore, does not support an increase in Program fees. WBA finds that FDIC has routinely been successful in its efforts to find purchasers of failed institutions' deposits, thus providing for uninterrupted deposit insurance coverage with minor impact to the Deposit Insurance Fund (DIF). While WBA recognizes the unique challenges FDIC has faced regarding the requirements to maintain the DIF at statutory levels, financial institutions also shared in those challenges and have been burdened with increased fees associated with maintenance of the DIF. Thus, WBA does not believe that institutions should be further burdened with an increase in Program fees absent empirical data indicating Program costs have increased.

Finally, WBA believes the interest rate limitation on NOW accounts should remain at 0.50 percent. Although the limitation was set when rates were higher, WBA believes reducing the rate could cause confusion among depositors, particularly in terms of account eligibility under the Program. Depositor confusion could negatively impact public confidence in the banking system.

Once again, WBA recommends FDIC extend the Program to June 30, 2010, but does not support an increase in fees or a reduction in the NOW account interest rate.

WBA appreciates the opportunity to comment on this important matter.

Sincerely,

Kristine Clevon
Assistant Vice President - Legal