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July 28, 2009

FDIC
JUL 29 2009
OFFICE OF THE CHAIRMAN

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

Dear Ms. Bair:

I have a real problem with FDIC's plans to terminate the FDIC Transaction Account Guarantee Program (TLGP).

I have a branch of Wells Fargo one block from my bank, and the public knows that Wells Fargo is "too big to fail." If FDIC terminates TLGP, I will have to notify my large checking account customers that their balances in excess of $250,000 are no longer insured. I can not think of a better way to motivate large accounts to exit community banks in favor of "too big to fail" banks.

I also have to doubt FDIC's cost analysis of TLGP. Each bank's quarterly FDIC assessment is based on total deposits, so I was already paying a fee on my large checking deposits. Even though the FDIC June 30th special assessment was based on total assets, I still paid an additional fee on these same large commercial deposits. Currently, I am being assessed three fees by FDIC on these large checking accounts. It appears FDIC is only including the 10 basis points fee in its analysis.

Based on current bank earnings, I do not need the TLGP fee going to 25 basis points, and I need TLGP to compete. Community banks did not cause this financial problem. Please give us a break.

Sincerely,

John L. Franklin

John L. Franklin
President

pc: Stan Ivie, Regional Director
Federal Deposit Insurance Corporation
Washington, DC

Rob Strand, Senior Economist
American Bankers Association
San Francisco, California

Steve Turkiewicz, President & CEO
Montana Bankers Association
Helena, Montana