WELLS FARGO

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July 30, 2009

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

Re: RIN #3064-AD37 – Notice of Proposed Rulemaking Regarding Possible Amendment of the Temporary Liquidity Guarantee Program.

Dear Mr. Feldman:

I am writing on behalf of Wells Fargo & Company and its banking subsidiaries (collectively, "Wells Fargo") to comment on the FDIC's two alternative proposals regarding the Transaction Account Guarantee ("TAG") program published as a Notice of Proposed Rulemaking in the Federal Register on June 30, 2009. Wells Fargo appreciates the opportunity to comment on the FDIC's proposals.

Alternative A – Scheduled Expiration of the TAG Program on December 31, 2009.

The TAG program is one of two limited guarantee programs the FDIC adopted on November 21, 2008, under the Temporary Liquidity Guarantee Program ("TLGP") as part of its efforts to deal with the system-wide crisis in the nation's financial sector. As the FDIC noted at 74 Federal Register 31218, "financial market volatility and risk aversion have moderated since the fall of 2008 when the FDIC implemented the TAG program as part of the TLGP." Wells Fargo agrees with this statement and believes the TAG program should be allowed to expire in accordance with its disclosed terms.

The FDIC has asked whether an extension of the TAG program is necessary to facilitate an orderly phase out of the TAG program for participating institutions and their depositors. Wells Fargo believes no extension is needed for this purpose. Since implementing the TAG program on October 14, 2008, the FDIC has made it clear to all participating institutions and the public the TAG program will expire on December 31, 2009. Furthermore, the FDIC has required each participating institution, pursuant to 12 CFR 370.5(h)(5), to post a prominent notice in its lobby, branches and website (if it offers internet deposit services) regarding the institution's participation in the TAG program and the program's scheduled expiration on December 31, 2009.

Because of these disclosure requirements, as of December 31, 2009, depositors of participating institutions will have known for more than one year about the TAG program's scheduled expiration on December 31, 2009. Wells Fargo believes the disclosure requirements set forth in 12 CFR 370.5(h)(5) have already established the necessary conditions for an orderly phase-out of the TAG program.

Alternative B – Six Month Extension of the TAG Program.

1. If the FDIC elects to extend the TAG program, the FDIC should adopt an opt-in approach for institutions participating in the extended program.

As noted above, Wells Fargo believes the TAG program should be permitted to expire on December 31, 2009, as scheduled. If, however, the FDIC elects to extend the TAG program, Wells Fargo strongly believes it should be extended in a manner that ensures no additional burdens are imposed on institutions electing not to participate in an extended program. To accomplish this, Wells Fargo recommends adopting an "opt-in" approach rather than the "opt-out" approach to continued participation in an extended program. Under an opt-in approach, any institution wishing to participate in an extended TAG program would so notify the FDIC and customers. Any institution not wishing to participate would need to take no action.

Wells Fargo believes an opt-in approach is more consistent with the existing TAG program than an opt-out approach. As noted above, all institutions participating in the TAG program will have disclosed their participation in the TAG program and the current December 31, 2009 termination date for over one year by the end of 2009. The opt-out approach proposed by the FDIC may require institutions withdrawing from an extended TAG program to make a new set of disclosures that merely repeat what the institutions will have been saying for more than one year – i.e., on December 31, 2009, the institutions will no longer participate in the TAG program and the unlimited guarantee will no longer be applicable to their non interest-bearing accounts. Any institution electing to remain in an extended TAG program should have the burden of informing the FDIC and its customers of its decision.

2. Additional time is necessary to revise disclosures of participating institutions.

If the FDIC elects to extend the TAG program, Wells Fargo believes 15 days is insufficient for many institutions to revise and distribute their TAG program disclosures and related materials and recommends institutions be given more time to revise disclosures, particularly if the FDIC adopts an opt-out approach.

3. Participation in an extended TAG program should be made at the product level.

In order to simplify disclosure and management of the TAG program, Wells Fargo recommends each institution electing to participate in an extended TAG program be permitted to opt in for only limited participation by designating a subset of accounts, for example, noninterest-bearing transaction accounts and/or eligible NOW accounts, that would be eligible for the unlimited guarantee. The FDIC has established precedent for this product-specific approach to participation in the TAG program by providing NOW accounts paying no more than a specified rate could be included in the current program at an institution's discretion.

4. The FDIC should reduce the maximum interest rate on NOW accounts below 0.50% in an extended TAG program.

Wells Fargo recommends, if NOW Accounts remain in an extended TAG program, the FDIC reduce the maximum interest rate payable on them to a rate that is substantially below the current 0.50%. This rate ceiling is high in the current rate environment. Wells Fargo believes the maximum interest rate can be substantially lower without forcing participating institutions to choose between including such accounts in the TAG program or pricing these accounts competitively.

In closing, Wells Fargo is opposed to any extension of the TAG program. If, however, the FDIC extends the program, Wells Fargo has three recommendations: First, Wells Fargo strongly believes no burdens should be imposed on those institutions not electing to participate in an extended program. To ensure no such burdens are imposed, institutions electing to participate in an extended program should be required to opt in to the program and give appropriate notices to their customers. No notice requirements should be imposed on those institutions ending their participation in the program according to the timetable already disclosed to their customers. Second, institutions should be permitted to opt in for only a limited participation by designating a subset of accounts eligible for the unlimited guarantee (e.g., only designated noninterest-bearing accounts and/or designated NOW accounts). Third, Wells Fargo recommends, if NOW Accounts are included in an extended TAG program, the FDIC reduce the maximum interest rate payable on them to a rate substantially below the current 0.50%.

Again, Wells Fargo appreciates the opportunity to comment on the FDIC's proposals. If you have questions concerning these comments or if we may otherwise be of assistance, please do not hesitate to contact the undersigned at 303-863-2724.

Sincerely yours,

Bradley Wilson

Bradley Wilson
Senior Counsel