BEN J. COURSON
ANN ARBOR MI

July 30, 2009

Mr. Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

Attention: Comments
Re: Transaction Account Guarantee (TAG) – Request for Comments

Dear Mr. Feldman:

The high balances currently held in unlimited FDIC-covered demand accounts owes its success to the institutional investor that is investing more than $250,000 and is looking for an alternative to historical low yields on government money market mutual funds. Imoneynet (www.imoneynet.com) reports that on average government money market yields are currently less than .20%, and according to Lipper, hundreds of these money market funds are reporting a 0% return.

Having said this, interest rates will not stay at these historic lows forever. Once they begin to rise, money market funds will once again be competitive. With respect to safety, the SEC is currently addressing methods to provide higher levels of safety for investors in money market funds.

I would like to recommend that the FDIC extend the 'NOW' account coverage to match that of deposit accounts until 2013. As interest rates in the not so distant future will permit money market mutual funds to be competitive again with a return above .50%, investors will begin to move from 'NOW' demand accounts to higher yielding funds. This transfer should be more gradual and orderly when compared to a scenario of having a 'drop dead date' where the coverage over $250,000 would simply end.

As for additional costs for FDIC coverage on 'NOW' accounts, perhaps a more scheduled or phased-in application could be employed over the next three years. With respect to the argument that these increased fees will be too high, the FDIC <u>does</u> need to rebuild its coffers after the current banking crisis.

Let the markets do their job, and an orderly conversion should be the outcome. Force the change on a date that will almost certainly be premature to our financial recovery, and the banks may well feel the pain of this coverage ending to a larger degree.

Finally, some comments have suggested special rules eliminating government sub-divisions from the FDIC coverage as they already have collateral. This is only true in some states, and until that is universal, our government entities deserve comparable FDIC coverage without exception.

Thank you.

Sincerely,

Ben J Courson

Ben J. Courson
Ann Arbor, MI