

June 4, 2010

Federal Deposit Insurance Corporation
c/o SafeAccountTemplateComments@fdic.gov

Re: Proposed Templates for Safe, Low-Cost Transactional and Basic Savings Accounts

Branch Banking and Trust Company and its affiliated banks and subsidiaries of BB&T Corporation (BB&T) appreciate the opportunity to comment on the Federal Deposit Insurance Corporation's (FDIC's) proposed templates for safe, low-cost transactional and basic savings accounts for low- and moderate-income (LMI) consumers.

As of March 31, 2010, BB&T Corporation (NYSE: BBT) is the 10th largest financial services holding company in the U.S. with more than \$163 billion in assets and market capitalization of \$22.4 billion. Based in Winston-Salem, N.C., the company operates more than 1,800 financial centers in 12 states and Washington, D.C., and offers a full range of consumer and commercial banking, securities brokerage, asset management, mortgage and insurance products and services. A *Fortune 500* company, BB&T is consistently recognized for outstanding client satisfaction by J.D. Power and Associates, the U.S. Small Business Administration, Greenwich Associates and others. More information about BB&T and its full line of products and services is available at www.BBT.com.

BB&T supports the FDIC's intentions in its efforts to develop criteria for low-cost accounts for LMI consumers, many of whom are unbanked or underbanked. We agree with the FDIC's stated guiding principles that such accounts should have low and transparent fees; be FDIC-insured and subject to consumer protection laws, regulations and guidelines; be simple to use with easily understandable terms and conditions and represent sustainable product offerings for financial institutions.

As just one example of our support for these principles, BB&T currently offers a free checking account, ***BB&T Free***, that has no monthly maintenance or per item fees, and includes check access, a free check card with rewards, free online access and online bill payment, free automated telephone inquiries, free withdrawals at BB&T ATMs, free mobile and e-mail alerts and a minimum opening deposit of just \$50. We believe this and other similar BB&T transaction and basic savings deposit products are in alignment with the FDIC's guiding principles for low-cost accounts for LMI consumers.

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BB&T has also long been active in outreach efforts to the Hispanic community, which includes a disproportionate number of unbanked/underbanked households. These efforts include Spanish language brochures, advertising, website and telephone support, multi-cultural financial centers, and cross-border remittance services. In addition, BB&T has created a series of audio tapes designed to introduce newly-arrived Hispanic consumers to the basics of the U.S. banking system and living in the U.S. BB&T also partnered with Freddie Mac and CRA-NC to create *Nuestro Barrio*, a DVD series that addresses financial literacy with a focus on homeownership. The *Nuestro Barrio* series is the recipient of the 2007 Homes4NC Affordable Housing Achievement Education Award.

We also note that BB&T has several other financial literacy programs available for consumers and community groups in its markets, including BB&T's "*How To Do Your Banking: Your guide to Financial Institutions and the Services They Provide*", "*Playbook For Life – The Student's Guide to Understanding and Planning Your Financial Future*", offered in conjunction with the NCAA and The Hartford, and the FDIC's "*Money Smart*" financial education program.

Finally, BB&T is funding a three-year online financial literacy project in partnership with EverFi, a provider of online and other financial education services. The program includes ten 30-minute online modules covering a variety of financial topics and is designed for integration with existing curricula. The program will initially be offered to students in 34 North Carolina high schools.

While we are generally supportive of the FDIC's intent, we have several concerns which are outlined below.

Clarity as to how Templates Will be Used

The FDIC's plans for how the proposed templates will be used are unclear. BB&T believes templates can be a useful tool for assisting financial institutions in developing deposit accounts that meet the need of LMI consumers, but would be strongly opposed to any requirements that financial institutions offer products that mirror the fees, features and functionality of templates adopted by the FDIC. Given the significant variations in economic and market conditions and demographic characteristics across the U.S., as well as the varying business models and technological capabilities of financial institutions, it would not be practical to mandate that financial institutions be required to offer template accounts. Additionally, we believe it would be inappropriate and against free market principles for the government to implement price controls for deposit accounts by stipulating the fee structure for mandatory deposit products.

Sustainability

Recent and pending financial regulation and legislation are likely to severely restrict a number of revenue streams that are essential to financial institutions' long-term profitability and financial stability. These rules include provisions of the Credit CARD Act of 2009 that restrict credit card fees and interest rates, Regulation E amendments and

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pending legislation that reduce overdraft fee revenue and pending financial reform legislation that if enacted will dramatically reduce debit and prepaid card interchange revenue. At the same time, bank costs for deposit account fraud and suspicious activity monitoring and regulatory compliance are increasing. Given these revenue and cost pressures, products and services which are widely available today, such as free checking, free online access and bill payment and free ATM access, may not be either viable or sustainable in the future. Because of the present uncertainty regarding the magnitude of the impact such rules will have on bank revenues, it is difficult to determine the sustainability of many of our current offerings, much less those of proposed account features and pricing. For these reasons, we are not proposing specific pricing and account features at this time.

Understanding Unbanked, Underbanked and LMI Consumers

While we support the FDIC's intentions in proposing account templates for LMI consumers, we question whether high fees and high balance requirements are the most significant factors discouraging LMI consumers from opening accounts. In the Federal Reserve's February 2009 publication *Changes in U.S. Family Finances from 2004 to 2007: Evidence from the Survey of Consumer Finances*, surveys conducted in 1998, 2001, 2004 and 2007 of consumer households not having checking accounts found that less than 1 in 8 households cited "Service charges are too high" and less than 1 in 10 cited "Minimum balance is too high" as reasons for not having a checking account. More common reasons included "Do not have enough money" and "Do not write enough checks to make it worthwhile", indicating a lack of familiarity or awareness of available products with no minimum balance requirements and alternatives to checks such as free debit cards and online bill payment. The most common reason cited was "Do not like dealing with banks", an indication of negative impressions of banks, whether perceived or based on prior experience. These survey results indicate that a focus on fees and balance requirements may be masking a more significant issue - the need for education and improved understanding among unbanked and underbanked LMI consumers and the financial services industry. The consumers could benefit from educational and outreach efforts designed to inform them how to deal with banks and how to manage deposit accounts and their finances, and financial institutions could benefit from research and development of programs that would assist them in better understanding, responding to and communicating with underserved consumers.

Identification of LMI Consumers

Any guidelines adopted by the FDIC should include best practices for identifying consumer deposit applicants as LMI, including recommended procedures for verifying that a depositor's income is indeed below the 80 percent of area median income threshold. We would also stress that banks should not be responsible for identifying which new or existing consumers are eligible for LMI accounts, but rather that eligible clients would need to request the LMI account(s) when applying to open a deposit account. We are concerned that any requirements to question deposit applicants about their income would be unnecessarily intrusive and offensive. Such requirements would

also necessitate technological changes for tracking and calculating LMI thresholds for each of our market areas as part of the account opening process, which would be particularly burdensome given the number of regulatory compliance projects to which we are committed.

In addition, the FDIC should keep in mind that banks must comply with Customer Identification Program (CIP), IRS and other regulatory requirements; minimum identification at account opening should include a social security number or matricula consular card and a second form of picture identification.

Other Comments

What are the expected benefits to consumers using safe, low-cost transaction and basic savings accounts? Benefits would include convenient and low-cost access to their funds at ATMs and using debit cards for point-of-sale and online purchases, increased safety and security from maintaining their funds in FDIC insured accounts, interest earned on savings account balances, development of financial management skills and entry into the mainstream U.S. financial system and an alternative to predatory financial service providers.

If check writing permitted, should there be a maximum number of checks that can be written each statement cycle? Given the lower costs, increased efficiency and enhanced consumer protections associated with electronic payments, we would recommend that the low-cost transaction account not include check access. Additionally, because ATM withdrawals and debit card transactions are processed in a real-time or near real-time basis, they can be immediately deducted from an account's available balance that is displayed to consumers in online banking, telephone response systems, mobile banking and ATMs, giving consumers a more accurate picture of the funds available in their account – an important feature for unbanked and underbanked consumers who aren't used to maintaining an account register or reconciling a deposit account.

What is an appropriate range for “low fees” necessary to offset some of the financial institution's costs associated with offering a transactional account? As mentioned above, BB&T and many other banks currently offer free checking accounts, free online banking and bill payment, free debit cards and other free services; whether these free products and services will be sustainable given recent and planned financial legislation and regulation is uncertain.

What constitutes a reasonable range of competitive fees for other financial services (e.g. money orders, check cashing, bill payment, domestic and international wire transfers and other financial services) offered to customers and noncustomers? Given the large number of financial service providers in the U.S. and the resulting intense competition among banks and non-banks, we believe that market forces ensure that fees for these types of services are generally both reasonable and competitive.

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What are some ways of minimizing the costs of offering transactional and savings accounts with attractive features for LMI underserved consumers? To minimize costs, the accounts should be designed to take advantage of low-cost electronic pricing and convenient self-service features as much as possible. This would include online, ATM, mobile and automated telephone service access to account information, use of ATMs to obtain cash and use of debit cards for purchases, and ACH direct deposit for adding funds to the account. Statements would be electronic instead of paper statements mailed to the consumer, and check access would not be available. We also strongly recommend consideration of general-purpose reloadable prepaid card accounts.

Are there types of transactional accounts other than basic checking, basic savings accounts, and account-based debit cards that would be attractive to both LMI underserved consumers and insured financial institutions? Additional accounts to be considered might include credit card accounts secured by the consumer's savings account, which the consumer could use to build credit history that would increase their eligibility for additional credit. Such a credit card would be an optional product available at the discretion of the financial institution.

BB&T recognizes the importance of the LMI consumer segment and we realize it serves our own best interests as well as those of the communities in which we operate to provide LMI consumers with reasonably priced financial services. We believe that competition and free market forces, along with continued efforts by all industry participants to better understand the needs and concerns of unbanked, underbanked and LMI households will result in development of financial products and services that best meet the needs of these consumers. In particular, we recommend that the FDIC undertake efforts to provide financial education and account management programs for these communities that will better equip them to participate in the mainstream banking system. We believe such efforts would be more effective than development of deposit account templates for LMI consumers.

Thank you for your consideration of our comments, and please feel free to contact me with any questions.

Sincerely,

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