



Federal Deposit Insurance Corporation

550 17th Street NW, Washington, D.C. 20429-9990

Executive Secretary

July 21, 2006

MEMORANDUM TO: Comment File

FROM: Valerie Best
Assistant Executive Secretary

SUBJECT: Comments on NPR on Risk-Based Assessments

Chairman Bair met with Ed Yingling, President and CEO of the American Bankers Association ("ABA") on July 21, 2006, and the above subject was raised. Mr. Yingling reiterated the ABA's view -- previously expressed publicly -- that the FDIC should take its time in bringing the reserve ratio back up to 1.25. He also indicated that his members have concerns about relying on CAMELS ratings too heavily in determining an institution's risk-based assessment.

Finally, Mr. Yingling noted that the ABA will file a public comment letter that formally expresses their position.