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TO: Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corp.

DATE: 11-18-08

FROM: Stephen G. Tarson

RE: Comments during 60-day time frame regarding
new Section 330.10, "Revocable Trust accounts",
such section effective September 26, 2008

BACKGROUND

Per the press release entitled, "FDIC Simplifies Coverage Rules for Revocable Trust Accounts", dated 9-26-08, FDIC Chairman Sheila C. Bair made the following statement in paragraph 3: "We strongly encourage owners of revocable trust accounts to make certain that the names of their beneficiaries are included in the bank's records."

In the new section 330.10, subsection (a)--General rule, sentences 2 and 3 state as follows: "This section applies to all accounts held in connection with informal and formal testamentary revocable trusts. Such informal trusts are commonly referred to as payable--on--death accounts, in--trust--for accounts or Totten Trust Accounts, and such formal trusts are commonly referred to as living trusts or family trusts." (underlining mine)

Also, subsection (b)--Required intention, sentence 2 states as follows: "In addition, for informal revocable trust accounts, the beneficiaries must be specifically named in the deposit account records of the insured depository institution." (underlining mine)

COMMENTS

As shown above, in subdivision (a), this new section 330.10 applies to both informal and formal testamentary revocable trusts.

My concern is with 330.10 (b). Why must only the beneficiaries of an informal trust "...be specifically named in the deposit account records of the insured depository institution"?

I respectfully ask that there be a "level playing field", and, thus, that all rights now given to an informal trust--including the naming of beneficiaries in the deposit account records of the insured depository institution--also be given to a formal trust.

I, thus, respectfully suggest ^{that} the following wording be used in 330.10 (b), sentence 2, in place of the current wording:

In addition, for both informal and formal revocable trust accounts, the beneficiaries must be specifically named in the deposit account records of the insured depository institution. (Underlined words show additions to current wording.)

NOTE: The FDIC could have the depositors of funds held in a formal revocable trust fill out a separate beneficiary document, provided by the FDIC, such document to become a part of the deposit account records of the insured depository institution.

Thank you for your attention to the above information.

Respectfully submitted,

Stephen G. Tarson
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