From: Stan Ragalevsky [mailto:sragalevsky@comcast.net]
Sent: Thursday, November 13, 2008 11:15 PM
To: Comments
Subject: RIN 3064--AD37 Temporary Liquidity Guarantee Program

Ladies and Gentlemen: I commend FDIC's Temporary Liquidity Guarantee Program. I do have one issue, however, with Section 370.8 of the Interim Rule that I would like to suggest be clarified. Section 370.8 provides that should assessments collected under Sections 370.6 and 370.7 for the respective subsidiary Guaranteed Debt and Transaction Account Guarantee Programs be insufficient to cover their respective costs, those costs will be recovered by an emergency special assessment imposed upon "insured depository institutions". This language should be modified to provide that the assessments be made against "participating entities". Institutions that opt out of either of the Temporary Liquidity Guarantee Programs should not be subject to special assessment for deficits accumulated in the opted out program. It is simply not fair. Making community banks that have no practical ability to issue debt instruments of the type covered by the Guaranteed Debt Program is particularly inequitable. Furthermore, it appears that a significant amount of debt covered under the Debt Guarantee Program will be debt of holding companies totally unrelated to activities of their insured depository institutions. A report I read today indicated that GE Capital Corp. has made arrangements with FDIC to guarantee $139 billion of its senior unsecured debt. I would expect that very little of that debt has anything to do with GE Capital's ILC or OTS thrift bank subsidiaries. So why should small community banks (or for that matter any bank not participating in the Debt Guarantee Program) be assessed any shortfall from the operation of the Debt Guarantee Program if they never participated? And why should deficit assessments from operation of the Debt Guarantee Program not be collected from all "participating entities" and not just "insured depository institutions" as the current Interim Rule provides. While I reserve comment on whether FDIC can use the systemic risk exception to assist non-depository institutions under such circumstances, I do suggest that Section 370.8 of the Interim Rule be modified to cover "participating entities" or "insured depository institutions participating in the Temporary Liquidity Guarantee Program". Thank you. Stan Ragalevsky 15 Fuller Farms Road, Topsfield, Massachusetts 01983