1585 Broadway
New York, NY 10036

Morgan Stanley

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

November 13, 2008

Re: Interim Rule Regarding Temporary Liquidity Guarantee Program
RIN #3064-AD37

Dear Mr. Feldman:

Morgan Stanley, as a leading participant in the Capital Markets, would like to both commend the FDIC for taking steps to stabilize the global credit markets and reiterate a comment that has previously been made on our behalf. On October 31, 2008 Sullivan & Cromwell submitted a comment letter on Morgan Stanley's and other large banks' behalf. Since that date, it has become increasingly clear through our discussions with investors that the market for FDIC guaranteed paper will be limited, unless the form of the guarantee were to change. Also, a significant number of investors have ratings constraints on their portfolios. The November 10 Standard & Poor's conclusion that they will likely not provide a AAA rating for FDIC guaranteed debt in the current form would foreclose the ability of this investor segment to participate.

There are still three principal issues:

1. In the bankruptcy of a holding company, holders of guaranteed debt should have no risk of payment delay or entanglement in court proceedings

2. Interest rate focused debt market investors have different expectations as to timing of receipt of payment than do traditional bank depositors. It is Morgan Stanley's belief that in order to be successful as a product offering any FDIC guaranteed debt with a maturity longer than 18 months will need to be structured in a way that is acceptable to interest rate buyers. Accordingly, in the event of the bankruptcy or receivership of any issuer, holders of guaranteed debt should continue to receive interest payments and the ultimate payment of principal according to the scheduled payment profile (no acceleration of the claim)

3. Similar to statements that the FDIC has made in the past with regard to deposit claims we suggest that the full faith and credit of the United States should explicitly back the guaranteed debt. This is far superior to a statement that "the debt is guaranteed by the

FDIC" which leaves investors trying to understand the complex nature of the relationship between the FDIC and the US Treasury, and how statements by Congress on deposits interact with the Maximum Obligation Limitation in relation to a new fund.

We thank you in advance for your consideration of these important points and once again we commend the FDIC for taking these important steps. Please contact Kevin Ryan at (212) 761-2825 or David Marinoff at (212) 761-0994 if we can be of assistance.

Sincerely,

Kevin Ryan,
Managing Director

David Marinoff
Executive Director