From: Gary Fox [mailto:Gfox@bartowcountybank.com]
Sent: Thursday, November 06, 2008 7:12 PM
To: Comments
Subject: RIN # 3064-AD37

11-06-08

To whom it may concern,

Thank you for the opportunity to comment on the FDIC's Temporary Liquidity Guarantee Program. There are several items that I would like you to consider as you move towards a final rule. First, you should consider treating IOLTA accounts as non-interest bearing transaction accounts. The interest on these accounts does not benefit the account owner and in most cases the monies on deposit represent several different parties. Secondly, I think it would be beneficial to extend unlimited insurance coverage to public funds. This would free up a significant amount of liquidity for many banks as it would reduce securities pledging requirements and in turn give a safe haven for municipalities in these uncertain times. In regard to the debt guarantee program I would like to see the guarantee cap set at a percentage of assets (i.e. 10%), in our particular case we did not have to buy fed funds on 9/30 though we have purchased funds at other times over the course of this year. A percentage of assets cap would result in a more even treatment of all banks as well as relieving a significant burden on regulators by not having to deal with each institution on a case by case basis. I am also hoping the guarantee extends to unsecured holding company lines of credit as this could result in additional liquidity and capital, if injected into the subsidiary bank. As far as cost is concerned, it would seem to make more sense to charge less for short term borrowing (i.e. .25% fee on fed funds lines) versus more permanent forms of borrowing (i.e. .75% fee on holding company lines). Lastly, it would also be advantageous if FDIC guaranteed fed funds sold received a lesser risk weighting for risk based capital purposes.

Sincerely

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