

November 14, 2008

**Funds Management Group**

Mail Code: 001-16-17-10  
200 West Second Street  
Winston-Salem, NC 27101

Mr. Robert E. Feldman, Executive Secretary  
Attention: Comments/Legal ESS  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW.  
Washington, DC 20429

Re: Minimum Capital Ratios; Capital Adequacy Guidelines; Capital Maintenance;  
Capital: Treatment of Certain Claims on, or Guaranteed by, the Federal National  
Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage  
Corporation (Freddie Mac)

Dear Mr. Feldman:

Branch Banking and Trust Company and the affiliated banks and subsidiaries of BB&T Corporation (jointly referred to as "BB&T") appreciate the opportunity to comment on the joint notice of proposed rulemaking (hereinafter "NPR") regarding eligibility to apply a 10 percent risk weighting to holders of claims issued or guaranteed by FNMA and Freddie Mac.

BB&T, with more than \$140 billion in assets, is the fourteenth largest financial holding company in the United States and operates nearly 1500 financial centers in the Carolinas, Virginia, Maryland, West Virginia, Kentucky, Tennessee, Georgia, Florida, Alabama, Indiana and Washington, D.C.

BB&T commends the agencies for their efforts to provide capital relief to holders of debt securities guaranteed by Fannie Mae and Freddie Mac. We agree with language within the NPR which indicates that the market perceived these securities to have quasi-government backing. BB&T, as did many other institutions, invested in all of these instruments as a direct result of an association with lower risk. Further, we support extending this treatment to holders of claims on or guaranteed by the Federal Home Loan Banks (hereinafter "FHLB") for the same reason. As a government sponsored enterprise (GSE), FHLB banks have long been perceived to have government backing. Although the structure of the FHLB system is different than that of other GSE's, its mission to facilitate access to housing for all Americans is significantly impacted by recent market turmoil. Differentiation between these entities in terms of capital treatment provides motivation to institutions to favor the supported entities which will, in turn, result in lower levels of investment in the FHLB banks at a time when the many citizens need access to credit facilities made possible by the existence of the FHLB banks.

Given recent market events, the financial support provided by the Treasury to FNMA and Freddie Mac was necessary to enhance market stability. We appreciate the fact that our regulatory agencies have responded to the financial support by appropriately reflecting the government support through access to a lower capital requirement. We fully support the proposed lowering of the associated risk weight of these instruments but would propose that these risk weightings be applicable going forward without the time limitation proposed within the NPR. We believe that the proposed eventual elimination of the lower risk weightings will create confusion in the market and the market will price the instruments accordingly. Since recent actions by the Treasury further support market perceptions of quasi-government backing, we believe it is inconsistent with the aim of this rule, or the actions that have been taken, to place a termination date on the proposed capital treatment.

Thank you for your consideration of our comments. Please contact me if you have any questions concerning our submission.

Sincerely,

A handwritten signature in black ink, appearing to read "Hal S. Johnson", followed by a long horizontal flourish line.

Hal S. Johnson  
Treasurer