WRIGHT EXPRESS
Financial Services Corporation

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November 17, 2008

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

Re: RIN 3064-AD35, Proposed FDIC Premium Increase

Dear Mr. Feldman:

Wright Express Financial Services Corporation ("WEX FSC") specializes in providing commercial fleet fueling charge cards and providing financial services to hundreds of thousands of businesses across the country in need of fuel and transportation maintenance. As with other industrial banks, our organization has shown a proven ability to promote economic activity in a safe and sound manner.

We are responding to the Federal Deposit Insurance Corporation's ("FDIC") request for comments on a proposal to increase deposit insurance premiums. If adopted, the proposal would increase the annual assessment rate for Risk Category I institutions from its current level of 5 to 7 basis points to an assessment rate of 10 to 14 basis points, plus certain adjustments. Assessments for Risk Category II institutions would increase from 10 basis points to 20 basis points, plus adjustments. Among the adjustments is a "brokered deposit adjustment."

We understand the current financial service environment and the demands upon the FDIC to increase the deposit insurance fund back to legislated amounts. However, we maintain strong objections to certain elements of the FDIC proposal.

WEX FSC has used brokered deposits since its inception 10 years ago and finds them to be a useful and important source of liquidity, particularly in this economic environment. Deposits obtained through registered broker-dealers are a cost-effective funding source that is frequently less expensive than other funding options available to us, and should not be needlessly discouraged. Our portfolio of loans consists of short-term receivables. These loans turn over every 30 days and the receipt of the cash repayments are very predictable. Our portfolio however, is subject to the fluctuations in fuel prices and we have found the brokered deposit market to be a reliable and efficient means to fund our receivables. On the contrary, if we were to rely on a retail deposit program, we would be forced at times to pay above market rates to attract the quantity of deposits required to adjust to the fuel price volatility. We manage our liquidity and balance sheet ups-and-downs by having no more than 20% of our brokered deposits mature in any given month. We believe that these deposits are actually less volatile than traditional retail deposits and we are able to manage an appropriate level of liquidity that would not be possible if we relied on the retail market.

We also believe there is no evidence that the 10% brokered deposit threshold and the 20% growth threshold are closely related to the risk of losses to the deposit insurance fund. In fact, several of the recent bank failures suggest that the reliance on retail core deposits was a contributing factor in the bank's inability to maintain proper liquidity. The 20% growth threshold over four years allows only 5% growth per year, which cannot be viewed as "aggressive." In our own instance, the spike in gasoline prices over the past several years has created an unusually high growth in our balance sheet. We have managed this growth effectively through the use of brokered deposits, while at the same time maintaining our position as an above well-capitalized institution. We understand the importance of maintaining our strong capital position and loan reserves to enable us continued access to the brokered deposit market. As do many other industrial banks, we also have the support and backing of our parent company, Wright Express Corporation to assist in maintaining appropriate capital levels. By targeting banks that use brokered deposits as a funding source to increase the reserves of the FDIC, we believe the FDIC's proposal is focused on the wrong side of the balance sheet. Asset quality or lack thereof, remains the only common denominator in the banks that have recently failed.

We are also concerned that the 10% brokered deposit threshold suggested will discourage reasonable use of brokered deposits above that amount because banks and their examiners will view it as a cap. Examiners may very well use this threshold in determining a bank's liquidity position for CAMELS ratings. This in turn may lead to a downgrade in a bank's overall assessment and place the bank in a different risk profile and result in further premium increases. Banks reporting more than 10% brokered deposits may also be viewed with suspicion by rating agencies and the financial press. To avoid this stigma, banks will look to other, more expensive, sources of funds, which in turn will reduce earnings and weaken the bank's capital position. In other words, the proposal could very well have the exact opposite effect on banks than what is intended.

WEX FSC strongly believes the FDIC should not impose premiums on brokered deposits, but should look at asset quality and capital levels in assessing increased premiums to shore up the insurance fund.

Sincerely,

Kirk S. Weiler

Kirk S. Weiler

President, CEO

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