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From: Todd Foster [mailto:ToddF@highlandsindependentbank.com]
Sent: Tuesday, October 28, 2008 11:53 AM
To: Comments
Subject: RIN # 3064-AD37

Dear Sir or Madame,

Several comments relating to the Interim Rule on the Temporary Liquidity Guarantee Program:

For Guaranteed Deposits:

1)The interim rule indicates that funds transferred or swept on a nightly basis from a non-interest bearing transaction account into a non-interest bearing savings accounts will be provided with the additional FDIC coverage over and above the \$250,000 level. It is my presumption that this provision is attempting to address concerns relating to the re-classification programs many institutions have in place. However, for our institution's re-classification process, we sweep funds from a non-interest bearing transaction account into a non-interest bearing money market deposit account. Because the purposes and intent surrounding both processes are identical, it would seem reasonable and appropriate to afford the additional FDIC guarantee to such funds held in non-interest bearing money market deposit accounts.

2)The interim program specifically excludes interest bearing transaction accounts. However, it would seem in appropriate to arbitrarily exclude those entities that qualify for NOW accounts simply due to the low level of interest earned on the accounts. It would seem these entities are very similar in nature to those holding the non-interest bearing accounts and should be able to receive the additional coverage provided by this program.

3) Our state, like most require banks to provide collateral for public funds deposits that exceed the level of FDIC coverage provided. Typically banks must provide as collateral investment security instruments. Having to encumber these securities directly reduces the level of liquidity that bank's may rely upon. This seems to directly contradict what this program is attempting to accomplish. Therefore, it seem to be appropriate and reasonable to allow banks to have access to this liquidity by providing the additional FDIC coverage to all public fund deposits held in transactional accounts, either interest bearing or non-interest bearing.

Thank you for your consideration of these items.

R. Todd Foster
Executive Vice President/
Chief Financial Officer
Highlands Independent Bank
2600 U.S. Highway 27, North
Sebring, FL 33870
Telephone: (863) 385-8700
Fax: (863) 385-6190

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