

P.O. Box 819
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November 12, 2008

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

Ref: RIN 3064-AD35

Dear Mr. Feldman:

Branch Banking and Trust Company and its affiliated banks and subsidiaries of BB&T Corporation (BB&T) appreciate the opportunity to comment on the Federal Deposit Insurance Corporation's (FDIC) proposal to amend 12 CFR 327 to: (1) alter the way in which it differentiates for risk in the risk-based assessment system; (2) revise deposit insurance assessment rates, including base assessment rates; and (3) make technical and other changes to the rules governing the risk-based assessment system.

BB&T, with more than \$137 billion in assets, is the nation's 14th largest financial holding company and operates more than 1,500 financial centers in the Carolinas, Virginia, Maryland, West Virginia, Kentucky, Tennessee, Georgia, Florida, Alabama, Indiana and Washington, D.C.

BB&T supports the FDIC's efforts to accurately and properly define and measure the risks associated with the composition and concentration of insured institutions' deposit liabilities as part of its risk-based assessment system. Accordingly, we support changes that would increase insurance premiums for banks that rely excessively on brokered deposits as a source of funding.

We are opposed, however, to the FDIC's proposed definition of brokered deposits, which would include amounts institutions receive through a network that divides large deposits and places them, on a reciprocal basis, at more than one financial institution to ensure that the deposits are fully insured. We do not believe such reciprocal deposits entail the risks associated with traditional brokered deposits, and it would be inaccurate to treat them as such.

BB&T is an active participant in the CDARS[®] ReciprocalSM deposits program, and it has been our experience that deposits placed through the program are functionally equivalent to core deposits in most ways. Specifically:

- CDARS[®] deposits have high reinvestment rates, with a national renewal rate of 83% during 2008.

- Interest rates on CDARS® deposits reflect banks' own practices and local market conditions, and typically cost 20-40 basis points less than the cost of traditional brokered deposits. At BB&T, the reciprocal deposits we've placed through the CDARS® program have averaged 61 to 65 basis points less than the national brokered market.
- CDARS® deposits are local deposits, with 80% of placements coming from depositors located within 25 miles of a branch of their bank. At BB&T, 96% of the CDARS® deposits we gather are from depositors in a 25 mile radius of a BB&T office.
- Depositors participating in the CDARS® program deal directly with their own bank – not with an agent or broker.

(Note: above statistics obtained from Promontory Interfinancial Network, LLC, sponsor of the CDARS® ReciprocalSM deposits program.)

The FDIC's proposal also requests comment on the issue of excluding these deposits from the Adjusted Brokered Deposit Ratio, as they are not reported separately in the Call Report or TFR. BB&T and, we believe, other participating banks are easily able to identify CDARS® ReciprocalSM program deposits and would be able to report them separately in a format to be determined by the FDIC.

The CDARS® ReciprocalSM program allows BB&T and the other 2,500 participating financial institutions to offer depositors Federal deposit insurance on their deposits in excess of \$250,000, and as such, contributes to the safety, soundness and stability of the U.S. banking system. To classify such deposits as brokered deposits subject to higher deposit insurance premiums could result in many banks reducing or ending their participation in the CDARS® or other similar programs, thus limiting the availability of a valuable service to depositors and a source of stable deposits for the banking system. We urge the FDIC to revise its definition of brokered deposits for purposes of the adjusted deposit ratio and the brokered deposit adjustment to specifically exclude reciprocal deposits placed through networks such as CDARS®, so that these deposits are appropriately treated in the same manner as other stable sources of funding.

Thank you for your consideration of our comments, and please feel free to contact me with any questions.

Sincerely,



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