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James S. Keller  
Chief Regulatory Counsel

December 17, 2008

Mr. Robert E. Feldman  
Executive Secretary  
Attn: Comments/Legal ESS  
Federal Deposit Insurance Corp.  
550 17<sup>th</sup> Street, N.W.  
Washington, DC 20429  
[Comments@FDIC.gov](mailto:Comments@FDIC.gov)

Re: Proposed Rulemaking: Assessments, RIN 3064-AD35 ("Proposed Rule")

Dear Mr. Feldman:

PNC Bank, National Association ("PNC Bank"), Pittsburgh, Pennsylvania, appreciates the opportunity to comment on the Proposed Rule issued by the Federal Deposit Insurance Corporation ("FDIC") as part of the implementation of the Federal Deposit Insurance Reform Act of 2005 ("Reform Act") (73 Federal Register 61560 (October 16, 2008)).

PNC Bank is the principal subsidiary bank of The PNC Financial Services Group, Inc., ("PNC"), Pittsburgh, Pennsylvania, which is one of the largest diversified financial services companies in the United States, with \$145.6 billion in assets as of September 30, 2008. PNC engages in retail banking, corporate and institutional banking, asset management, and global investment servicing. PNC Bank has branches in the District of Columbia, Florida, Indiana, Kentucky, Maryland, New Jersey, Ohio, Pennsylvania and Virginia. PNC also has a state non-member bank subsidiary, PNC Bank, Delaware, Wilmington, Delaware, which has branches in Delaware.

PNC has a technical comment on the Proposed Rule.

### **Federal Home Loan Bank Advances**

The FDIC proposes to raise an institution's base assessment rates based upon its ratio of secured liabilities to domestic deposits. In accordance with the preamble to the Proposed Rule, "ratios of secured liabilities to domestic deposits for any given quarter would be calculated from the report of condition filed by each institution as of the last day of the quarter. For banks, secured liabilities would include Federal Home Loan Bank advances, securities sold under repurchase agreements, secured Federal funds purchased and "other secured borrowings," as reported in banks' quarterly Call Reports.

It should be noted that we have been instructed by the federal bank regulators to include *unsecured* Federal Home Loan Bank ("FHLB") Fed Funds purchased with the FHLB advances in Item 5 of Schedule RC-M (Memoranda) of the Call Report. The rationale for the inclusion

was so that all FHLB related liabilities would be disclosed in a single section of Schedule RC-M. Accordingly, the data in the Call Report that would potentially be used to determine secured liabilities for the assessment calculation could include unsecured advances. Accordingly, we recommend that the instructions for Schedule RC-M be clarified so that FHLB advances reported in Item 5 include only secured advances, if this data item is to be included in the calculation of secured liabilities for the assessments.

Thank you very much for the opportunity comment on the Proposed Rule. If you have any question about this letter please call Patricia J. Jablonski (412-762-8470) or me.

Sincerely,

A handwritten signature in black ink, appearing to read "James S. Keller", with a long horizontal flourish extending to the right.

James S. Keller

cc: Gary TeKolste  
Office of the Comptroller of the Currency

Michael D. Coldwell  
Federal Reserve Bank of Cleveland

Kathleen A. Flannery  
Patricia J. Jablonski  
The PNC Financial Services Group, Inc.