



# Inter-State Federal Savings

AND LOAN ASSOCIATION



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March 11, 2009

Mr. Robert E. Feldman  
Executive Secretary  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, D.C. 20429

Attention: Comments RIN 3064-AD35

Dear Mr. Feldman,

I would like to take this opportunity to comment on the interim rule regarding the Restoration Plan for the Deposit Insurance Fund. I'm president of Inter-State Federal Savings and Loan, a \$200 million mutual institution in Kansas City, Kansas.

There's no question that the security of FDIC insurance on deposit accounts offered through our association is a valuable asset. The integrity of the Fund must be maintained, and Inter-State would strongly support a pragmatic, sensible plan to restore it.

I believe the best approach would combine several solutions discussed thus far. A special assessment of 10 bp would provide immediate relief for the Fund, without undue harm to institutions operating under the strain of our current economic downturn. Chairman Bair has indicated a willingness to reduce the special assessment from 20 bp if the FDIC borrowing limit is increased to \$100 billion, and I would encourage support of S. 541 to accomplish this. The higher risk-based premiums that go into effect next month, applied to all institutions, are reasonable and help in long-term restoration of the Fund.

Issuance of long term bonds, similar to FICO bonds of the 1990's, would seem to be a viable option for further restoration of the DIF. The responsibility for repayment would still fall on our industry, but would be less burdensome spread over a longer time period.

Thank you for your consideration.

Yours truly,

Richard T. Merker  
President

CC:  
Senator Sam Brownback  
Senator Pat Roberts  
Rep. Dennis Moore