BB&T

Branch Banking & Trust Co.

Deposit Services
Mailcode: 001-16-18-10
200 W. Second Street
Winston-Salem, NC 27102

March 16, 2009

FDIC
Robert Feldman, Executive Secretary
550 17th Street, N.W.
Washington, DC 20429

Dear: Mr. Feldman

I appreciate the opportunity to address my opposition to RIN 3064-AD35: Proposed FDIC Special assessment pursuit to 12 CFR Part 327. This interim rule imposes a 20 basis point emergency special assessment under 12 U.S.C. 1817(b)(5) on June 30, 2009.

I do support the view of the FDIC that a strong, financially secure fund is needed and has to be maintained. However, the way in which this is accomplished is very important to BB&T, our shareholders, and the communities we serve. The financial industry is contending with an economic recession, mark to market accounting rules that overstate economic losses and unfairly reduce capital. This proposal removes significant liquidity from the banking system at a critical time.

BB&T is focused on managing through the credit cycle, generating revenue growth through lending, and controlling non-interest expense. The special assessment hinders these efforts in a significant way. In 2008, BB&T's FDIC premium was $25 million. With increased premium rates and the currently proposed special assessment, this year's premium is approaching, if not exceeding, $300 million.

Saddling financial institutions with radically higher FDIC insurance costs at this time will cause undesirable side effects within the economy. It creates a disincentive for banks to increase deposits as a source to fund assets. This in turn puts a dampening effect on a bank's lending capacity and is counter productive in regard to liquidity and basic safety and soundness.

I am strongly opposed to basing any assessment on the size of an institution. Any assessment should be fair to all banks.

Given the impact that the proposed assessment will have on BB&T and the communities we serve, I strongly urge you to consider alternatives that would reduce our burden and provide the FDIC with funding needed in the short term.

More reasonable options include:

Use the FDIC's borrowing authority with the Treasury for short term funding needs. This is the purpose of the fund and it remains an obligation of the banking industry.

Use the revenue the FDIC is collecting from the Temporary Liquidity Guarantee Program. There is considerable revenue from those banks that are issuing guaranteed debt to help the FDIC at this critical time.

At the very least, reduce the special assessment and spread the cost over a long period of time. The FDIC should spread out the recapitalization of the fund over a longer period of time, perhaps 10 years or longer.

Making these modifications will ensure that the fund remains secure and allows BB&T to continue lending in our communities thereby fostering economic growth. I urge you to take these suggestions into consideration when the Board meets in April to finalize the special assessment rule.

Sincerely,

Donna C Goodrich

Donna Goodrich
Senior Executive Vice President
BB&T