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April 2, 2009

Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C. 20429

Re: RIN 3064-AD35

Dear Sirs and Madams:

This letter is submitted on behalf of Wells Fargo & Company and its affiliates, including Wells Fargo Bank, N.A. and Wachovia Bank, N.A., (collectively, "Wells Fargo") in response to the interim rule and request for comment published in the Federal Register on March 3, 2009 at 74 FR 9338 (the "Interim Rule").

Under the Interim Rule, the Federal Deposit Insurance Corporation (the "FDIC") adopted a 20 basis point emergency special assessment. The special assessment will be imposed on June 30, 2009 and collected on September 30, 2009. The Interim Rule also provides for an additional emergency special assessment of up to 10 basis points. Under the Interim Rule, each special assessment would use the institution's regular assessment base calculated pursuant to 12 CFR §327.5.

Wells Fargo & Company is a diversified financial services company with $1.3 trillion in assets, providing banking, insurance, investments, mortgage and consumer finance in more than 39 states and the District of Columbia. Wells Fargo appreciates the opportunity to comment on the Interim Rule.

While Wells Fargo recognizes the need to replenish the Deposit Insurance Fund (the "DIF"), Wells Fargo also believes that it is premature to adopt the Interim Rule in final form. As is more fully explained below, there remains too much uncertainty regarding the specific steps that the FDIC needs to take to meet its long term objectives regarding the DIF. Furthermore, given the adverse impacts to earnings and capital that the FDIC has acknowledged in its commentary accompanying the Interim Rule, Wells Fargo cannot support the Interim Rule in its present form. For these reasons, Wells Fargo respectfully requests that the FDIC consider either withdrawing the Interim Rule or revising the Interim Rule in accordance with the comments set forth below.

As noted above, Wells Fargo is of the opinion that it is premature to adopt the Interim Rule in final form. This opinion is based on the following considerations. First, the FDIC has indicated that if certain legislation is passed that increases the FDIC's line of credit, the emergency special assessment may be able to be cut in half to 10 basis points. Second, statements have been made indicating that revenue generated by the TLGP may allow the FDIC to further reduce the emergency special assessment by as much as another 4 basis points. Given the significant uncertainty surrounding the amount of the emergency special assessment that may be required to be levied by the FDIC, it is Wells Fargo's opinion that it is premature to propose any assessment.

Wells Fargo is concerned that the special assessment could have an adverse impact on deposit levels at some institutions which, in turn, could adversely affect those institutions' ability to increase lending activities. To cover the cost of the emergency special assessment, many financial institutions may need to re-price their deposit products in a way that makes these products less attractive to their customers. If this were to occur, it may have the effect of causing an outflow of deposits from some financial institutions. Any such outflow of deposits would make it more difficult for affected financial institutions to increase their lending activities. The emergency special assessment may, therefore, interfere with other important public policies.

As noted in the commentary accompanying the Interim Rule, a one-time special assessment of 20 basis points could adversely affect the capital levels of some financial institutions. It will, in every instance, have a significant adverse impact on the earnings of all financial institutions subjected to the special assessment (the commentary accompanying the Interim Rule projected a 10% to 13% reduction in earnings). If a special assessment is required, rather than imposing a large, single special assessment, we respectfully request that the FDIC consider a series of smaller special assessments spread over a number of quarters. Such an approach would have the benefit of reducing the negative impact that any one special assessment would have on capital and quarterly earnings. It would also provide the FDIC with the flexibility to consider the economy and TLGP revenue credited to the DIF when making its decisions regarding whether or not to actually impose future special assessments.

The FDIC has specifically requested comment on whether the special assessment should be assessed on the basis of something other than the regular assessment base. Wells Fargo believes that, since the DIF is used to insure an institution's domestic deposits, it is proper to also use an institution's domestic deposit base to calculate the amount it owes under the special assessment. Wells Fargo would be strongly opposed to using anything other than an institution's regular assessment base to calculate the amount owed under any special assessment that may be imposed.

The FDIC has requested comment on whether weaker institutions should be exempted from the special assessment. Wells Fargo understands the motivation underlying this specific issue. Wells Fargo does not have an opinion regarding whether such institutions should be exempted from this special assessment. However, if such institutions are exempted from any special assessment that may ultimately be levied, Wells Fargo strongly believes that some consideration must be given to those institutions that are subjected to the special assessment. For example, if weaker institutions are excluded from the special assessment, those institutions that do pay a special assessment should be permitted at some point in the future to treat this special assessment as a credit against their regular assessments.

In closing, we wish to restate that Wells Fargo welcomes this opportunity to comment on the Interim Rule. While Wells Fargo recognizes the FDIC's need to take steps to restore the DIF, it is our view that it is premature to establish a rule regarding any special assessment and that such a rule should be postponed until it becomes clearer the specific amount that must be assessed to accomplish the objectives of the FDIC. During the period in which this information is being further refined, Wells Fargo wishes to encourage the FDIC to continue to explore other options that may be available to it to help restore the DIF without such significant adverse effects on capital and earnings.

Thank you.

Sincerely,

Kenneth J. Bonneville
Assistant General Counsel