

AmegyBank of Texas

Paul B. Murphy, Jr.
Chief Executive Officer

P.O. Box 27459
Houston, TX 77227-7459
713.235.8800
www.amegybank.com

July 3, 2009

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

RE: Request for Comments for RIN# 3064-AD37

Dear Mr. Feldman,

On behalf of Amegy Bank National Association, I would like to express our support for the proposed Alternative B, which calls for an extension of the Transaction Account Guarantee (TAG) for six months until June 20, 2010. The TAG program has played an important role in reassuring customers over the past nine months, which has provided stability not only for Amegy, but for banks nationwide.

At Amegy, we have experienced significant growth in noninterest-bearing deposits since the TAG program launched in October 2008. Currently, approximately 40% of the bank's deposits are held in noninterest-bearing transaction accounts. Additionally, nearly 80% of our customer's deposits are FDIC-insured either through the TAG program or under the standard insurance amount of \$250,000.

While customer confidence levels have improved since the TAG program's launch last October, we believe confidence in banking institutions remains fragile and that, as a consequence, it would be premature to end this program in December. It would be very unsettling to clients and would create adverse effects on deposit levels at institutions across the U.S. This would especially impact business customers, whose operating accounts frequently well exceed the current \$250,000 FDIC insurance limit.

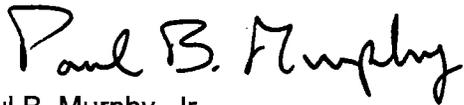
In response to the specific request for comments, please see the following:

- Timeline for extension: Given that there continues to be much uncertainty about when the economy will recover, we believe that extending the TAG program for an additional year would be both necessary and appropriate.
- Interest rate on NOW accounts: We believe the interest rate limitation on NOW accounts should remain at 0.50 percent. Although the limitation was set when rates were higher, we feel that the reducing the rate could be potentially confusing to customers. Making changes to the eligibility of accounts would further add to customer confusion likely proving to be more harmful than helpful.
- Fees: While we most certainly believe in the value of the TAG program and are willing to pay to participate, we have to be conscious of costs during a period where all companies, including banks, are aggressively managing expenses. At Amegy, our single largest

increasing expense year-over-year has been FDIC fees, and this is prior to considering a potential increase related to the continuation of the TAG program. While the assessment needs to be priced fairly, it is also important not to make the program prohibitively expensive to where financial institutions cannot participate. Our recommendation would be to leave the fees at 10 bps.

In closing, the FDIC should be commended for this creative program that has been incredibly successful in stabilizing the nation's banking system and restoring confidence to banking customers. It is our hope that the program can continue to bring reassurance to customers and stability to our financial system. If I can provide you with further details on Amegy's comments related to the TAG extension, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Paul B. Murphy, Jr." The signature is written in a cursive, flowing style.

Paul B. Murphy, Jr.