



July 10, 2009

VIA E-Mail:comments@FDIC.gov

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

RE: RIN# 3064-AD37

Comments of Independent Bank on the Federal Deposit Insurance Corporation's
Notice of Proposed Rulemaking regarding the phase out of the Transaction
Account Guarantee Program

Dear Mr. Feldman:

This letter is submitted on behalf of Independent Bank. In this letter, Independent Bank provides its comments to the Federal Deposit Insurance Corporation (FDIC) on its Notice of Proposed Rulemaking regarding the phase out of the Transaction Account Guarantee Program.

Independent Bank appreciates the FDIC's careful consideration of the most efficient manner to phase out the Transaction Account Guarantee Program (TAGP). This program has been extremely beneficial to our deposit customers and the bank's liquidity strategies during this period of unprecedented volatility in the capital markets.

Independent Bank advocates extending the TAGP. Money market conditions have improved since last autumn. Nevertheless, severe dislocations remain. Numerous bank failures and bankruptcies of high profile financial firms have heightened customer awareness of credit risk. In this environment customers actively seek FDIC deposit insurance coverage.

Additionally, December is historically a period of poor liquidity in many markets. This is particularly true during the final two weeks of the year. Thus, extending this program past the end of the year ameliorates systemic liquidity risk.

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The term of the extension should be structured to correspond with normalization of money market conditions. The proposed six month extension period may provide ample time for conditions to stabilize. However, Independent Bank encourages the FDIC to reevaluate the desirability of letting this program expire several months before expiration to ensure that market conditions support expiration.

Reducing the maximum rate for NOW accounts that qualify for the TAGP is reasonable. Most money market rates have moved lower since the TAGP was enacted during the fourth quarter of 2008. Additionally, customers in this product are focused on safety of principal with immediate funds availability rather than rate.

The FDIC's proposed fee increase for the TAGP to 25 basis points is reasonable.

Independent Bank values this opportunity to comment on this important topic. If you have any questions on these comments please contact me.

Sincerely,



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President and Chief Executive Officer
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