

**FULTON FINANCIAL**  
**CORPORATION**

0909-1327

ONE PENN SQUARE, P.O. BOX 4887, LANCASTER, PENNSYLVANIA 17604 ■ 717-291-2500 FAX 717-295-5312

R. SCOTT SMITH, JR.  
CHAIRMAN AND  
CHIEF EXECUTIVE OFFICER

September 25, 2009

FDIC

The Honorable Sheila C. Bair  
Chairman  
Federal Deposit Insurance Company  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429

OCT 16 2009

OFFICE OF THE CHAIRMAN

Dear Chairman Bair:

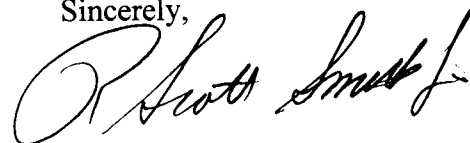
As Chairman of Fulton Financial Corporation, a \$16.9 billion mid-Atlantic financial holding company based in Lancaster, Pennsylvania, I support the concept of the FDIC borrowing from strong financial institutions to replenish the Deposit Insurance Fund (DIF). A strong DIF is absolutely critical to the safety and soundness of the banking industry, particularly as signs of economic recovery appear to be on the horizon and as banks will need customer deposit funding to meet future credit demands from consumers and businesses.

FDIC actions to extend the deposit coverage ceilings came at a critical juncture and certainly helped maintain confidence in the banking system. Customers responded to those actions by entrusting more of their funds to us as an industry. Since most banks have experienced strong deposit growth, the concept of borrowing from banks on some type of tiered basis based on a bank's financial strength is an excellent and timely idea. Moreover, prior special assessments, while necessary, have already placed additional strain on bank balance sheets. Borrowing from strong banks is, in our opinion, a more fiscally sound alternative than drawing down the Treasury credit line or levying additional assessments on already strained institutions.

Furthermore, since we believe so strongly that borrowing from safe and sound banks is clearly the best alternative for the DIF, we respectfully ask that Fulton Financial Corporation be considered as one of the FDIC's lending banks should the program be implemented. We can think of no safer loan to make and if we can assist our colleagues in the banking industry to avoid an additional assessment at a time when many continue to struggle, we would be pleased to do so.

On behalf of the entire senior management team here at Fulton Financial, we thank you for the prudent actions taken by the FDIC to restore faith and confidence in the banking industry. If there is anything else we can do to support you in this proposed endeavor, please let us know.

Sincerely,



R. Scott Smith, Jr.

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