



State of Wisconsin
Department of Financial Institutions

Jim Doyle, Governor

Lorrie Keating Heinemann, Secretary

July 30, 2009

Mr. Robert E. Feldman, Executive Secretary
Attn: Comments (via email: Comments@FDIC.gov, RIN #3064-AD37)
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Re: Extension of the Transaction Account Guarantee Program

Dear Mr. Feldman:

This letter is to request that the FDIC extend the Transaction Account Guarantee Program (TAG) through June 30, 2010 (Alternative B) at the very minimum, and, if possible, extend the program through December 31, 2010.

In addition, we are in support of keeping the current interest rate limit (on NOW Accounts that qualify for FDIC guarantee under TAG) at .50 percent versus the proposed .25 percent. The higher rate will allow banks to pass through their increased costs of FDIC fees, while providing a positive rate of return for their depositors. Assuming the rate remains at .50 percent, it would be reasonable to increase the fees for Alternative B from 10 basis points to 25 basis points.

For example, the State of Wisconsin Investment Board (SWIB) currently manages funds for Wisconsin public depositors, including our state agencies. Approximately \$500 million has been deposited in over 120 community banks in Wisconsin through a correspondent bank's CD program. This CD program was recently restructured into NOW accounts to ensure the deposits are fully FDIC insured. The absence of the full FDIC insurance for these qualifying NOW accounts will most likely result in these deposits leaving our community banks by 12/31/09.

We appreciate the opportunity to voice our opinion on this very important topic for Wisconsin. If you have any questions, please contact me at 608-264-7800, or via email at Lorrie.Heinemann@wisconsin.gov.

Sincerely,

Lorrie Keating Heinemann
Cabinet Secretary

Cc: Christopher Hencke, FDIC

Office of the Secretary

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