



Consumers National Bank
INDEPENDENT COMMUNITY BANKING

August 3, 2009

Robert E. Feldman, Executive Secretary
Attention: Comments
550 17th Street, NW
Washington DC 20429

Re: RIN #3064-AD37; Notice of Proposed Rulemaking Regarding the
Possible Amendment of the Temporary Liquidity Guarantee Program to Extend
the Transaction Account Guarantee Program

Dear Mr. Feldman:

I am writing to urge the FDIC to extend its Transaction Account Guarantee (TAG) Program for an additional year, or until December 31, 2010, so community banks can continue to use it to help their customers in their communities during this critical time. An abrupt halt to the program could adversely impact local economies.

Community banks have been particularly helped by the TAG Program, which provides non-interest bearing accounts a full guarantee for deposits held at FDIC-insured depository institutions. Local businesses use non-interest bearing accounts for large payroll deposits, and during the financial crisis the TAG Program provided businesses with a guarantee that their assets were safe. Since its inception, the TAG Program has helped over 7,100 participating institutions secure over \$700 billion in non-interest bearing transaction accounts. Discontinuing this program will cause large customers to move their deposits to the institutions selected as "too big to fail." In effect, this is unfair competition and exacerbates the problem.

Furthermore, the proposed fee increase, from 10 basis points to 25 basis points assessed against deposits insured under the program, is unnecessary and excessive and would add an additional burden on community banks struggling to provide lending to help spur their local economies. We ask that the assessment fee be based upon our risk-based assessment profile instead of raising the assessment from 10 to 25 basis points for all participating institutions.

Thank you for taking the time to hear my concerns and to consider how community banks will be impacted by your decision.

Sincerely,

Ralph J. Lober,
President & CEO