

May 17, 2010

MEMORANDUM TO: The Office of Executive Secretary  
FDIC Legal Division

FROM: Julia E. Paris  
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FDIC Legal Division

SUBJECT: Advisory Committee on Community Banking  
Discussion of TAG Extension Rule

Please include this memorandum in the public comment file for the *Amendment of the Temporary Liquidity Guarantee Program To Extend the Transaction Account Guarantee Program With Opportunity To Opt Out*, 75 Fed. Reg. 20257 (April 19, 2010).

The FDIC hosted a meeting of the Advisory Committee on Community Banking on April 21, 2010, in Washington DC. Participants expressed general support for the TAG Extension Rule and discussed the reduced interest rate, from 0.50 percent to 0.25 percent, for NOW accounts to be qualified for the FDIC's TAG guarantee. While one commenter believed that the reduction in interest rates for qualifying NOW accounts could make retaining depositors with noninterest-bearing transaction accounts more difficult, other commenters noted that it was unlikely that the rate reduction for qualifying NOW accounts would negatively affect their depositors. In addition, participants acknowledged that participation in the TAG program was helpful in retaining customer relationships and, in some instances, attracting new business customers.