REGIONS

October 15, 2010

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

Re: RIN # 3064-AD37: Deposit Insurance Regulations; Unlimited Coverage for Noninterest-bearing Transaction Accounts

Dear Mr. Feldman:

Regions Financial Corporation (Regions) appreciates the opportunity to offer comments on the above notice of proposed rulemaking (NPR) issued by the Federal Deposit Insurance Corporation (FDIC) to implement section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"). Our comments are specifically related to the proposal in the paragraph headed *No Separate Assessment*. The FDIC is proposing that there would not be a separate assessment for the insurance of noninterest-bearing (NIB) transaction accounts pursuant to section 343 of the Dodd-Frank Act. The FDIC will take into account the cost of this additional insurance coverage in determining the amount of the general assessment the FDIC charges Insured Depository Institutions (IDIs) under its risk-based assessment system. We believe this is unfair to many IDIs and offer the following points to support our position.

- The FDIC has communicated that no separate fee will be charged for the temporary unlimited coverage; however the level of an IDI's NIB transaction account deposits will clearly affect the risk to the DIF. In the event of a failure the amount of an institution's NIB transaction accounts will impact the magnitude of loss to the DIF.

- If the FDIC charges the cost of the extra insurance coverage to all IDIs in a uniform manner, then effectively IDIs with relatively low levels of NIB transaction accounts would be subsidizing IDIs with high levels of NIB transaction accounts.

- A more equitable approach would be to allocate the cost of temporary unlimited coverage among IDIs commensurate to each IDI's relative level of NIB transaction account deposits. If this will not be accomplished via a separate fee (similar to the TAGP), then there should be an adjustment to the risk-based assessment rate such that institutions with relatively high levels of

NIB transaction deposits should be charged a proportionally higher rate to compensate the FDIC for the increased risk.

- It's important to note that the FDIC will be collecting the necessary data to implement a rate adjustment. To support the administration of the DIF, the FDIC is requiring all banks to begin reporting the quarter-end dollar amount and number of noninterest-bearing transaction accounts (as defined in the Dodd-Frank Act) of more than $250,000 in new Memorandum items 5.a and 5.b of Schedule RC-O, beginning December 31, 2010.

- The FDIC on May 3, 2010, issued an NPR that proposed to revise the assessment system applicable to large institutions. The NPR's stated purpose was to better differentiate institutions by taking a more forward-looking view of risk; to better take into account the losses that the FDIC will incur if an institution fails; to revise the initial base assessment rates for all insured depository institutions ; and to make technical and other changes to the rules governing the risk-based assessment system. This proposal was extremely complex. It would be inconsistent with the May 3 approach to take such a general approach now to one of the potentially significant components of the insurance expense.

Regions appreciates the opportunity to comment on the NPR. If you have additional questions, please contact me at (205) 326-4972.

Sincerely,

Brad King

Brad Kimbrough
Executive Vice President, Controller
and Chief Accounting Officer