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Mr. Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

Delivered Electronically

May 16, 2011

Re: RIN 3064-AD78 – Interest on Deposits; Deposit Insurance Coverage NPRM

Dear Mr. Feldman:

I am writing on behalf of Wells Fargo Bank, National Association, and its affiliated banks (“Wells Fargo”) to comment on the FDIC’s proposals to (a) rescind the FDIC’s regulations implementing the statutory prohibition on the payment of interest on demand deposits with respect to state-chartered nonmember banks and (b) retain and relocate the definition of “interest” in these regulations.

While Wells Fargo believes the FDIC’s proposals are appropriate responses to the upcoming repeal of Regulation Q, Wells Fargo recommends the FDIC also consider adopting existing Federal Reserve Board interpretations and staff opinions under Regulation Q. These interpretations and opinions have been beneficial to the banking industry and comprise the foundation for many long standing practices and programs. For example, staff opinions under Regulation Q are the foundation of banks’ third party payment programs. Maintaining these interpretations and opinions in some form will enable banks to continue to rely on the principles established in them.

In comments submitted in connection with the Federal Reserve Board’s RIN 7100-AD72, Wells Fargo asks the Board to consider a phased approach to the repeal of Regulation Q. In the first phase, section 217.3, the section prohibiting the payment of interest, would be repealed effective July 21, 2011, when Dodd-Frank’s repeal of 12 USC 371a, the statutory authority for this section, takes effect.

The second phase would be a twelve to eighteen month interim period during which the definition of interest under 12 CFR 217.2(c) and all interpretations and opinions under Regulation Q would remain in effect. During this interim period, the FDIC would have the opportunity to consider whether to adopt some if not all of these Fed interpretations and opinions in a Financial Institutions Letter or some other form.

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The FDIC also solicits comment on whether other parts of Part 329 should be moved into Part 330 along with the definition of interest. Wells Fargo agrees with the FDIC that moving the interpretative rule regarding bonuses in section 329.103 to part 330 may prove useful in determining whether an account qualifies as a noninterest-bearing transaction account.

Wells Fargo appreciates the opportunity to comment on the FDIC's proposals. If you have questions concerning these comments or if Wells Fargo may otherwise be of assistance, please do not hesitate to contact the undersigned at 303-863-2724.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Bradley Wilson", with a stylized flourish at the end.

Bradley Wilson
Senior Counsel
Wells Fargo & Company Law Department