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March 10, 2006

Mr. Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corporation
Attn: Comments/Legal ESS
550 17th Street, NW
Washington, DC 20426

Re: Federal Deposit Insurance Corporation: RIN 3064-AC98 – Large-Bank Deposit Insurance Determination
Modernization Proposal

Dear Mr. Feldman:

The New Jersey League of Community Bankers* (“the League”) appreciates the opportunity to comment on the Federal Deposit Insurance Corporation’s (“FDIC”) advance notice of proposed rulemaking (“ANPR”) soliciting public comment on the proposed options to “modernize its deposit insurance determination process, whereby the insurance status of each depositor is determined in event of failure.”

The League appreciates the need for the FDIC to be prepared to quickly and efficiently handle the failure of a large financial institution, but is concerned that the options presented in the ANPR would impose high costs on affected financial institutions in both dollar expenditures and staff time.

Particularly with large banks, it seems the FDIC should be aware of problems that could lead to a failure and have time to prepare for closure. The League therefore urges that the focus be on developing a mechanism to assist in deposit determinations that would be put into effect when a large bank reaches problem bank status. To impose such a regulatory burden on all large banks, regardless of their financial condition, does not seem consistent with the FDIC’s goal of reducing regulatory burden.

Sincerely,

A handwritten signature in black ink that reads "James R. Silkensen".

James R. Silkensen
Acting President

* The New Jersey League of Community Bankers, founded in 1908, is a trade association representing 73 of New Jersey’s savings banks, savings & loan associations and commercial banks with total assets of over \$85 billion. The League’s wholly-owned subsidiary, the Thrift Institutions Community Investment Corporation (“T.I.C.I.C.”) assists League members in forming consortia to make loans on low-to-moderate income housing and economic development projects throughout New Jersey. Since its founding in September 1991, T.I.C.I.C. has closed almost \$250 million in loans to create over 4,700 units of housing affordable to families, senior citizens and citizens with special needs. In addition, TICIC’s loan pipeline will create another 400 residential units to serve the needs of communities throughout the state.

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