

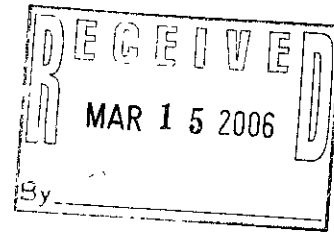
Jeffrey Morrow  
Executive Vice President

Dollar Bank

Three Gateway Center, Nine West  
Pittsburgh, PA 15222  
412-261-8146

SINCE 1855

March 13, 2006



Mr. Robert E. Feldman  
Executive Secretary  
Attention: Comments/Legal ESS  
Federal Deposit Insurance Company  
550 17th Street, NW  
Washington, DC 20429

Re: *RIN 3064-AC98*

Dear Sir:

Dollar Bank, FSB, ("Dollar") respectfully files this comment on the advance notice of proposed rulemaking (the "Proposal") that was entitled "Large-Bank Deposit Insurance Determination Modernization Proposal" and was issued by the Federal Deposit Insurance Corporation ("FDIC") in the Federal Register on December 13, 2005.

Dollar understands and supports the need for the FDIC to have a rapid and effective process for determining insurance coverage. Not only does this benefit the FDIC directly, but effective performance by the FDIC also benefits the entire banking system by assuring the public of the reliability of federal insurance of deposits. The FDIC asked in this Proposal for suggestions on alternative approaches that might achieve approximately the same benefits for the FDIC at lower costs for banks. Because Dollar sees no reasonable alternative, it supports the general thrust of the Proposal.

Dollar has made a rough estimate that implementation of Option 2 in the Proposal would require about 600 hours of programming time. At an assumed all-in cost of \$100 per programming hour, that represents an approximate total cost of \$60,000. In Dollar's case, the incremental cost of implementing Option 1 rather than Option 2 is negligible because Dollar processes all deposit accounts through a single system and already assigns unique customer identifiers

As a general comment, customer identifiers and insurance status data are not as reliable as monetary amounts. Monetary amounts are controlled through a robust process of double-entry bookkeeping, receipts, and periodic rendering of accounts. The business purposes for which Dollar creates its customer identification systems do not justify the costs of making controls over those systems so robust. Dollar actually has two customer identification systems: one is used for customer service issues (such as making sure that a change of address notice is applied to relevant accounts) and one is used for marketing purposes (such as generating a direct mail list.) Because the systems have different purposes, they use different criteria for

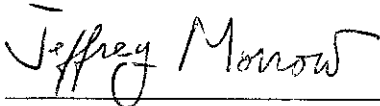
determining when to associate multiple accounts with a single customer. Thus, the two systems do not result in identical matching of accounts to customers, and both undoubtedly contain some degree of error.

As a technical suggestion, we recommend that the FDIC adopt Option 2, but encourage banks to provide a customer identifier if one is available in the normal course of business. That is, change Option 2 to permit a bank to provide a customer identifier if one is available, but do not make it mandatory as it currently is in Option 1, and make clear that its accuracy is not expected to be higher than that which the bank needs from its customer identification system in the ordinary course of the bank's business. This data may be helpful to the FDIC even though not perfect, and there seems no reason not to ask for that data if the bank can provide it with little or no extra burden.

As a technical question, Dollar reads the Proposal as requiring two different holds, one called "provisional" and one called "bank." The need for two different holds is not obvious, and programming for two new holds is obviously twice as much work for the banks as programming for one. The basic issue seems to be that the FDIC wants to be able to place a hold under FDIC control through a batch process and to be able to release holds selectively through both a batch and an ad-hoc process. This does not seem to require two different holds.

We hope that these comments are helpful. If you have any questions or want to discuss these comments further, please feel free to call me at your convenience at (412) 261-8146.

Respectfully yours,

  
\_\_\_\_\_  
Jeffrey Morrow