March 7, 2006

Federal Deposit Insurance Corporation
ATTN: Comments / Legal ESS
550 17th Street, NW
Washington, DC 20429

Dear Sir or Madam:

Branch Banking and Trust Company appreciates the opportunity to comment on the advanced notice of proposed rulemaking to modernize FDIC's deposit insurance determination process. The comments included should be considered to represent all of the affiliated FDIC-insured banks of BB&T Corporation, a financial holding company. BB&T Corporation is currently the 9th largest financial holding company in the United States with assets exceeding $109 billion.

BB&T acknowledges changes in the FDIC's deposit insurance determination process could result in a process that would reduce or eliminate delays in resolution, minimize disruption to the communities where a failed bank is located, and ultimately maximize recoveries for the deposit insurance fund.

BB&T is concerned, however, that well-capitalized banks with little chance of failure will incur extensive costs, both up-front and ongoing, that provide at best minimal benefit. Banks that are consistently rated by their primary federal regulator as well-run and well-capitalized should not be asked to bear additional costs to resolve failed banks. These costs more appropriately should be borne by the FDIC or those banks presenting the greatest risk of failure.

The FDIC has requested comment on its proposal to require large banks to assist it in the calculation of the insurance coverage of deposit accounts. The FDIC has specifically asked banks to comment on three options for meeting this objective. Each of the three options, in BB&T's opinion, are onerous, costly, and provide little or no benefit.

It is difficult, if not impossible, to determine with any accuracy the actual costs of each of the three options. However, we recognize the importance of providing the FDIC with an estimate of the costs of the proposals to BB&T. Our estimates are detailed below.

Option 1

Under Option 1, banks would be required to: 1) identify the owner(s) of each account using a unique identifier; 2) identify the deposit insurance category of each deposit account; 3) supply the FDIC a standard data file reconciled to the institution's trial balance; 4) calculate and place provisional holds; 5) remove provisional holds automatically at the end of any given day; and 6) add and remove the holds on an as-needed basis.

These changes would require up-front costs for development of approximately $250,000 - $300,000 with additional annual costs of approximately $65,000 - $70,000.

Questions relating to Option 1

Q1) How reliable would the data be identifying each depositor and account insurance category?

A1) While the reliability of the information pertaining to the unique identifier should be reasonably accurate, the data pertaining to the account insurance category may be less reliable. BB&T, like many large banks, has grown through mergers and acquisitions. It is difficult to draw any conclusions about the reliability of this information for those accounts obtained through a merger or acquisition. In addition, some of the insurance categories may not be captured electronically. As of 12/31/05, BB&T had in excess of 4,600,000 active deposit accounts. To capture any missing categories would require a manual review of our accounts, which would not be feasible given our size.

Q2) Would BB&T have any difficulty in supplying reliable data for any of the items listed in Appendix B?

A2) The difficulty in supplying reliable data would lie not in the technical aspects, but in the data itself. For example, prior to 10/1/03, banks were only required to make a good faith effort to obtain a social security number. While it was industry best practice to obtain a social security number, accounts could be opened without one. Consequently, banks would be unable to provide this information on each account.

Other data fields, such as branch, are fields that may or may not be included with account information. This information could also become meaningless through conversions as the branch identifiers may change after acquisition.

Q3) Is BB&T able to identify account owners (as opposed to trustees, managers, beneficiaries, etc.)?

A3) BB&T defines ownership based on class codes. As previously mentioned, BB&T has acquired a number of banks in recent years and class codes assigned at conversion have not been tested for accuracy. While the class code is required for each new account that is opened there are few edits to ensure the accuracy of those codes. For these reasons, the class codes would not be completely reliable.

To implement such a process would require a manual review process and additional staff to monitor for accuracy.

The ownership categories the FDIC would require in electronic format are not the same categories that BB&T stores electronically. BB&T would incur additional costs not noted above in order to reformat its current categories.

Option 2

Option 2 would be the least costly to implement. BB&T estimates up-front costs of approximately $225,000 - $275,000 and annul costs of $55,000 - $65,000.

Each option would require banks to automatically calculate and place provisional holds according to FDIC specifications at the end of processing on any given business day. The technology costs to develop, implement, maintain, and test such a process far exceeds any potential benefit. This is especially true when the likelihood that it would be necessary is so small.

Q) Are there any likely operational difficulties in implementing option 2?

A) Depending on the hold criteria, this has the potential to drastically increase the number of NSF items and overwhelm the return process.

Another operational issue to consider is the notification to the consumer of the hold. If the FDIC will require BB&T to automate the hold notice as part of the hold automation, then it would more than likely increase the cost estimates noted above.

Option 3

In addition to the items listed under Option 1, Option 3 would require BB&T to know the insurance status of deposit accounts at any given time and be able to place holds for uninsured deposits in an amount specified by the FDIC. This option would only apply to the largest 10 or 20 banks.

Option 3 is the most costly. BB&T estimates that up-front cost would be approximately $300,000 - $400,000, and annul costs would be approximately $80,000 - $100,000.

Q) Do the benefits of Option 3 merit the additional cost?

A) It is BB&T's opinion that they do not for the reasons previously stated.

The cost estimates noted above do not include costs for training, additional staff, or any manual processes that may be needed to conform to some of the data format requirements. This could add an estimated $400,000 to the up-front costs and $85,000 to the annual costs.

In summary, BB&T supports the FDIC's efforts to resolve a failed bank promptly and with minimal disruption to the communities in which it is located. BB&T cannot support any effort that places additional, costly requirements on those banks that pose little risk of failure.

BB&T appreciates the opportunity to comment on these important matters and is happy to provide additional information or comments.

Sincerely,

Sherryl McDonald
Senior Vice President / Corporate Compliance Manager
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