Capital One Financial Corporation
1680 Capital One Drive
McLean, VA 22102

August 4, 2006

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

Re: Notice of Proposed Rulemaking: Dividends (RIN 3064-AD07)

Dear Mr. Feldman:

Capital One Financial Corporation ("Capital One") is pleased to submit comments on the FDIC's Notice of Proposed Rulemaking to establish a system for paying dividends as required by the Federal Deposit Insurance Reform Act of 2005.

Capital One Financial Corporation is a financial holding company whose principal subsidiaries, Capital One Bank, Capital One, F.S.B., Capital One Auto Finance, Inc., and Capital One, N.A. (formerly Hibernia National Bank), offer a broad spectrum of financial products and services to consumers, small businesses, and commercial clients. Capital One's subsidiaries collectively had $47.2 billion in deposits and $108.4 billion in managed loans outstanding as of June 30, 2006, and operated more than 300 retail bank branches in Texas and Louisiana. In March, Capital One announced that it has agreed to acquire North Fork Bancorporation, Inc., which operates over 300 bank branches throughout New York, New Jersey, and Connecticut, and is the third-largest depository institution in the greater New York City region. That acquisition, which will make Capital One one of the ten largest banking institutions in the country by deposits, is projected to close by the end of this year.

Capital One supports the proposed rule.

We commend the FDIC's decision to propose a simple rule with a two-year sunset, for the reasons that the FDIC states: the complexity of implementing the many elements of the Deposit Insurance Reform Act's provisions on dividends, coupled with the unlikelihood of the FDIC's paying any dividends out of the Deposit Insurance Fund over the next two years as a result of the Fund's declining reserve ratio and the entitlement of many institutions (including Capital One) to portions of the $4.7 billion assessment credit also provided for in the Reform Act.

It seems to us that the most significant issue in this rule is the definition of "predecessor" for purposes of determining a current institution's share of the 1996 deposit base. We submit that this issue is the same as the issue of defining "successor" for purposes of the assessment credit, and that the FDIC should adopt the same concept for each. For the reasons stated in our letter of this date commenting on the FDIC's proposed rule with respect to the assessment credit, we submit that the definition of "successor" proposed by the FDIC for purposes of the assessment credit is the right one.

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Capital One appreciates the opportunity to comment on the FDIC's Notice of Proposed Rulemaking with respect to dividends. If you have any questions about this matter and our comments, please call me at (703) 720-2255.

Sincerely,

/s/

Christopher T. Curtis
Associate General Counsel
Policy Affairs