FDIC
Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990 Legal Division

February 23, 2008

Ms. Shagufta Ahmed
OMB Desk Officer
Office of Management and Budget
New Executive Office Building
Washington, DC 20503

Dear Ms. Ahmed:

The Federal Deposit Insurance Corporation ("FDIC") is seeking emergency review by February 27, 2008, of the Paperwork Reduction Act requirements contained in an interim rule modifying its Temporary Liquidity Guarantee ("TLG") Program. The TLG Program was instituted by the FDIC on October 14, 2008, pursuant to its authority under section 13(c)(4)(G) of The Federal Deposit Insurance ("FDI") Act (12 USC 1823(c)()(G)), after an October 13, 2008, determination of systemic risk by the Secretary of the Treasury, in consultation with the President and upon the recommendation of the Boards of the FDIC and the Federal Reserve System.

The TLG Program was devised as part of a concerted effort, including passage of the Emergency Economic Stabilization Act of 2008 by Congress, capital injections into banks by the Department of Treasury, and the making available of commercial paper facilities by the Board of Governors of the Federal Reserve System ("FRB"), to address unprecedented disruption in U.S. and global credit markets. Under the existing TLG Program, the FDIC provides a 100 percent guarantee for senior unsecured debt meeting certain criteria that is newly-issued by eligible institutions on or before June 30, 2009, and for non-interest bearing transaction deposit accounts at FDIC-insured institutions through December 31, 2009.

Although the TLG Program has had some favorable effects on economic conditions and financial stability, the disruption in credit markets continues to exist and the general ability to obtain funding through securitization has created progressively more serious problems, with banks responding to the market turmoil by retaining cash and tightening lending standards. Data indicate that debt markets remain largely closed to financial institutions unless their bonds and notes carry FDIC guarantees. To aid in counteracting these market trends, the FDIC proposes to expand the TLG Program to include senior unsecured debt with features that require mandatory conversion of the debt into common shares of the issuing entity at a specified point in time.

The temporary nature of the TLG Program and the need to take quick action to avoid or mitigate further deterioration in the economic condition of the financial industry by addressing the ongoing disruption in the credit markets and, in particular, the long-term funding market for insured depository institutions requires that the proposed expansion of the TLGP become fully operational immediately upon approval by the FDIC Board of Directors, which is scheduled to consider the interim rule at a 10:00 a.m. meeting on February 27, 2009. We apologize for the time constraints; however, the FDIC has determined that it is dictated by the exigencies of the current situation in which the financial stability of a significant number of financial institutions is being threatened, the nation's entire financial system appears to be at risk, and public harm is reasonably likely to result from further deterioration of the national economy from frozen credit markets if normal clearance procedures are followed.

In compliance with the requirements of 5 CFR 1320.12, the FDIC has further determined that the TLG Program is consistent with the FDIC's mission to maintain the stability of and public confidence in the national's financial system. The FDIC will solicit public comment for a 15-day period for suggestions on minimizing the burden of the collection. The FDIC plans to follow this emergency request with a request through normal clearance procedures and, in that process, will fully consider all comments on minimizing burden.

Thank you for your consideration of this request.

Sincerely,

Robert E. Feldman
Executive Secretary