10/1/08

Ms. Christine Bouvier,
Senior Policy Analyst (Bank Accounting),
Ms. Nancy Hunt,
Senior Policy Analyst,
Mr. Mark Handzlik,
Senior Attorney,
FDIC
FDIC Public Information Center
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(1-877-275-3342 or 703- 562-2200).

Dear Ms. Bouvier, Ms. Hunt and Mr Handzlik,

I'd read of this proposed change to regulatory goodwill, as well as the GAAP/FASB effort to provide breathing room to financial institution in their shareholders' equity to permit institutions that have certain sorts of SPEs to omit them from the consolidated financial statements. I suggest its use and it seems to be an inoffensive way to provide 'breathing room'.

While also considering what the FDIC proposed to permit or provide more breathing room to insured banks and thrifts, I figured your analysts would know those depository institutions most critically affected by the economic problems, as well as almost, if not fraudulent overreaching practices by wall street and the trickle down of abuse to the smaller financial institutions.

Perhaps something like <u>Net worth certificates</u> can be considered. Several weeks ago, I'd emailed Bill Isaac about my suggestion.

And while a bank or thrift is charging off sour real estate and other credits, the regulatory good will can be the first line of defense with management paying back the charges against the <u>regulatory good will</u> instrument that the FDIC/FSLIC/OTS had used in times past that would alleviate the very wealthy, very conceited and very contemptuous *master of the universe* type Mr. Paulson from going to Congress and begging for welfare for the wealthy. The instruments I've suggested and the strategies you have suggested allow financial institutions the breathing room to address stress the industry will face for perhaps another 3 quarters. Just like we've all had to make our way up out of the difficulties of life, so should these sorts allegedly from the most advantaged. Can you believe they're asking for welfare?

At a later time when the economy is in better situation, unless the depository institution was aggressively engaging in fraud and already was conducting itself in an unsafe and unsound way.

Meanwhile, perhaps Ms Baer should abstain from letting congress heckle the FDIC for increasing the deposit insurance limit. Most measures to protect the depositors' emotions at this point are beyond the role of the FDIC from its public support and commitment to protect all deposits up to $100,000. Upping the limit to $250,000 will not stop panics from depositors who had had only 40,000 and regardless of the 100k protection, still removed their money. Limit increase to 250k potentially puts the fund at risk for bankruptcy.

What the FDIC should watch is for the electronic draining of funds out of these targeted, drubbed institutions, by the big depositors well above the limit. I also suggest watching them, although difficult to connect to the larger peers/competitors interested in the franchise, but which would want to bottom fish when the stock price is battered or when on life support because it got battered by a sort of 'run' that can be engineered via the electronic funds exit of the larger deposits.

LIKE A SET UP OF SORTS, LIKE A GOON JOB. Reputed that Chase had viewed Washington Mutual's books, and Citigroup had reviewed Wachovia's books, and notice Wells wasn't awarded Wachovia, when that fit would have been better. And suddenly was there a run on WAMU and Wachovia and weren't their potential buyers the guys on the spot awarded the franchises.

I despise too big to fail, as well as concentrations of power because of the abusive potentials by these over-sized players. And what are we seeing with how this group of abuses has handled itself and its spokesman Paulson asking for the voter to feed that maggotry, under the 'trickle-down' rubric? Did the guy's nose grow when he told that lie? Or even the conceit on his part to think that he and his mob are worth the money?

Meanwhile, as I have said, I vigorously oppose welfare for the wealthy. Most of them don't even have any breading like the sort we've known over history such as William Penn - no man gets wealthy alone, and our founders who used tariffs so as to develop our domestic commercial environment and develop wealth across all of society in the early republic.

I've listened to some of these types and that mentality often of unrestrained obsessions with their material situations in all ways.

Respectfully,
Andrea Psoras

Financial Institution Letters

Regulatory Capital Standards
Proposed Deduction of Goodwill Net of Associated Deferred Tax Liability

FIL-100-2008
September 30, 2008

Summary: The federal banking agencies have jointly issued the attached Notice of Proposed Rulemaking (NPR) seeking comment on whether to allow goodwill, which must be deducted from Tier 1 capital, to be reduced by the amount of any associated deferred tax liability. The FDIC will accept comments on the NPR through October 30, 2008.

Highlights:

- Under the agencies' existing regulatory capital rules, certain assets that must be deducted from Tier 1 capital may be reduced by any deferred tax liability specifically related to the asset.
- In the attached NPR, the agencies propose to extend this treatment to goodwill acquired in a taxable business combination, thereby allowing a bank, bank holding company, or savings association to make the required deduction of goodwill from Tier 1 capital net of any associated deferred tax liability.
- The NPR also requests comment on whether there are other intangible assets currently required to be fully deducted from Tier 1 capital for which the agencies should consider a similar treatment.

Distribution:
FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

Chief Executive Officer
Chief Financial Officer
Chief Accounting Officer

Related Topics:

Risk-Based Capital Standards
12 CFR Part 325

Attachment:

Notice of Proposed Rulemaking, Minimum Capital Ratios; Capital Adequacy Guidelines; Capital Maintenance; Capital: Deduction of Goodwill Net of Associated Deferred Tax Liability (PDF Help)

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