

August 8, 2005

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

Re: *FDIC Interim Final Rule Regarding Deposit Insurance Coverage; Accounts of Qualified Tuition Savings Programs Under Section 529 of the Internal Revenue Code-70 FR 33689*

Dear Mr. Feldman:

Thank you for the opportunity to comment on the interim final rule issued by the FDIC regarding Deposit Insurance Coverage on Accounts of Qualified Tuition Savings Programs Under Section 529 of the Internal Revenue Code.

The Wisconsin Department of Financial Institutions (“DFI”) is the state agency that regulates both the securities and banking industries in our state. Our state’s 529 program currently has over 190,000 accounts and has approximately \$1.4 billion in investments. DFI is registering in support of your rule for several reasons.

First, an FDIC insured investment option is safe and has a stable value – two important features to ensure that dollars invested are there when needed to pay educational expenses. We believe many grandparents may establish FDIC insured accounts for their grandchildren. They may do this because of the safety and security of depositing funds into banks, a comfort level with their Wisconsin banks, and/or to take advantage of the tax deductions available to them.\*

Second, an FDIC insured investment option would be an attractive investment strategy for all account owners whose risk tolerance is low and whose time horizon is short.

Third, we strongly believe that deposits in Wisconsin financial institutions are essential to a robust economy. Since small businesses fuel the majority of job growth in our state and banks (large and small) are significant providers of loans to these small businesses, it is essential that the banks have a source of funds to allow for economic expansion.

Finally, we have the talent to administer a highly professional FDIC insured deposit program for 529 Plans in our state that would track the deposits back to the individual account owner level. For example, Bankers’ Bank (BB), a Wisconsin state-chartered bank, developed and currently administers a unique Wisconsin CD program that has over \$500 million invested in over 200 banks in our state. The source of these CD deposits is

the State of Wisconsin Investment Board (SWIB), whose investors benefit from the competitive rates, the ease of administration, and, of course, the FDIC pass-through insurance.

Your legal staff (particularly Chris Hencke) is very knowledgeable and has been a great help to us as we pursue a FDIC insured 529 Plan option for our state. We sincerely appreciate your staff's time and your Board's support in making FDIC insured bank products viable investment solutions for individuals who are saving for college.

Sincerely,

Lorrie Keating Heinemann  
Cabinet Secretary

*(\*Note: In Wisconsin, 529 Plan contributions into EdVest accounts of up to \$3,000 per dependent, per grandchild, per great-grandchild, or per niece or nephew, per tax year, are deductible from Wisconsin taxable income.)*

cc: Governor Jim Doyle  
Secretary Marc Marotta  
State Senator Alberta Darling  
State Treasurer Jack Voight  
Kurt Bauer, Wisconsin Bankers Association  
John Knight, Boardman Law Firm LLP