

March 27, 1995

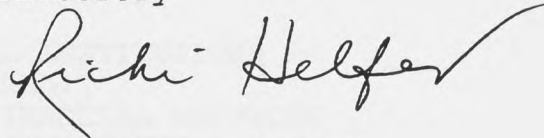
Dear Chief Executive Officer:

Because of the extraordinary interest that banks and savings associations have expressed in the Federal Deposit Insurance Corporation's proposals on deposit insurance premiums, I am sending you the attached copy of the testimony that I submitted to the House Financial Institutions subcommittee on March 23, 1995.

The testimony focuses on the undercapitalization of the Savings Association Insurance Fund. Beginning on page 27, it discusses three standards that should be applied to any proposed solution to that undercapitalization. It then discusses the wide range of solutions that have been proposed, applying the three standards to a discussion of each in turn. The testimony does not take a position on any of the proposed solutions.

The comment period on the deposit insurance premium proposals closes April 17, 1995. All the interested parties are urged to make their views known. Please send your written comments to the Office of the Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, D.C. 20429.

Sincerely



Ricki Tigert Helfer  
Chairman

Attachment