VIA EMAIL comments@fdic.gov

Robert E Feldman
Executive Secretary
Attention: Comments
550 17th Street NW
Washington DC 20429

Re: Unsafe and Unsound Banking Practices-Brokered Deposits
RIN 3064-AE94

Dear Mr. Feldman:

Thank you for the opportunity to respond to the Advance Notice of Proposed Rulemaking (the "ANPR") issued by the Federal Deposit Insurance Corporation's ("FDIC") pursuant to a comprehensive review of the regulatory approach to brokered deposits and the interest rate caps applicable to banks that are less than well-capitalized. We especially appreciate the FDIC's willingness to review brokered deposit and interest-rate regulations because of "changes in technology, business models, the economic environment, and products since the regulations were adopted" in 1989.

WEX Bank ('the Bank") is an FDIC-insured Industrial Loan Corporation that is licensed and regulated by the state of Utah. The Bank's current business model focuses on providing payment processing services, loans and short-term credit specifically designed for the vehicle fleet needs of small businesses, large fleets, government fleets and over-the-road carriers. In addition, the bank provides innovative corporate purchasing and payment capabilities that can be integrated with our customers' internal systems to streamline their corporate payments, accounts payable and reconciliation processes.

WEX Bank raises funding and liquidity primarily through the issuance of brokered deposits. The Bank's experience regarding supply and rates is positive. Brokered deposits are less expensive, yet more stable than many other deposit types. For example, the majority of our brokered deposits are fixed rate and fixed term (with no early withdrawals) providing a stable liquidity base to meet funding needs of our customers. The Bank is better able to structure the maturities to match funding needs and minimize potential liquidity strains. Even during the great recession of 2007 - 2009, brokered deposits were an integral part of our strategy, continued to supply the Bank with its funding needs and experienced no unexpected outflow, while experiencing a decrease in our funding costs.   During this period a notable supply of institutional funds de-risked their portfolios by moving out the stock and bond markets into a safer havens such as brokered deposits which helped maintain ample liquidity in the brokered deposit market.

If our sources of funding and liquidity were limited by new restrictions on the use of brokered deposits, the Bank would incur significant additional costs and risks by having to utilize other sources of deposit funding such as online retail deposits.

As with almost all industrial banks, we have a long-term track record of safety and soundness. Brokered deposits have been part of our history of success since the Bank began operations in 1998. These deposits have posed no inherent risk, and our experience through economic highs and lows reflect that of many others: they are among the most stable of funding sources.

We respectfully request that regulators focus on how insured depositories use the deposits they receive, rather than on what institutions call these deposits. In fact, history has shown that a better course would be to eliminate barriers to the use of brokered deposits by well-capitalized banks that have sound contingency plans in the event of impairment.

That type of dramatic modification is what is needed in order to allow well-capitalized banks to compete in today's market.

We are grateful that the FDIC is reviewing outdated regulations regarding brokered deposits and liquidity, and would be happy to provide additional information about our experience with these valuable financial instruments.

Sincerely,

Tim Laukka
President and Chief Executive Officer
WEX Bank