

July 10, 2006

MEMORANDUM TO: Office of the Executive Secretary

FROM: Kymberly K. Copa
Counsel, Legal Division
Federal Deposit Insurance Corporation

SUBJECT: Meeting between FDIC and Representatives of Arrow Financial Corporation and Glens Falls National Bank on the One-time Assessment Credit Required by the Deposit Insurance Reform Act of 2005

Please include this memorandum in the public file on the Notice of Proposed Rulemaking on the One-time Assessment Credit.

On June 23, 2006, representatives of Arrow Financial Corporation ("Arrow") and Glens Falls National Bank met with FDIC staff to discuss the one-time assessment credit required by the Deposit Insurance Reform Act of 2006. This memorandum memorializes that meeting.

The representatives of Arrow and Glens Falls National Bank urged the FDIC to consider the extent of its discretion in distributing the one-time assessment credit. Specifically, they sought to explore whether the FDIC could consider an assessment base for an institution other than its assessment base on December 31, 1996, in determining an institution's share of the one-time credit. They also discussed alternative definitions for "eligible insured depository institution" and "successor." FDIC staff noted that the statute requires the credit to be based on the assessment base of the institution on December 31, 1996, as compared to the combined aggregate assessment base of all eligible insured depository institutions, taking into account such factors as the Board of Directors may determine to be appropriate. Further, staff encouraged the bank representatives to file a written comment in response to the NPR.