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### Letter to Treasury Secretary Hank Paulson from FDIC Chair Shelia Bair Re: the Resolution of Wachovia Bank N.A.

Sheila Bair

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BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

BEN S. BERNANKE  
CHAIRMAN

September 28, 2008

The Honorable Henry M. Paulson, Jr.  
Secretary of the Treasury  
Department of the Treasury  
1500 Pennsylvania Ave, N.W.  
Washington, D.C. 20220

Dear Mr. Secretary:

This letter is in reference to the proposed resolution of Wachovia Bank, N.A., and its insured depository institution affiliates, all of which are subsidiaries of Wachovia Corporation (Wachovia), a large, complex financial holding company. As of June 30, 2008, Wachovia was the fourth largest banking organization in the United States with total consolidated assets of \$812 billion.

In light of all the facts and circumstances, including the condition of the financial markets and the state of the U.S. economy, the Board of Governors, by a unanimous vote, today determined that compliance by the Federal Deposit Insurance Corporation (FDIC) with the least-cost requirements of the Federal Deposit Insurance Act (12 U.S.C. § 1823(c)(4)(A) and (E)) with respect to Wachovia Bank, N.A. and its insured depository institution affiliates would have serious adverse effects on economic conditions and financial stability. The Board also unanimously determined that action or assistance by the FDIC permitted under the systemic risk exception (12 U.S.C. § 1823(c)(4)(G)) would avoid or mitigate such adverse effects.

Sincerely,

A handwritten signature in black ink, appearing to be "Ben Bernanke", written over a horizontal line.

cc: The Honorable Sheila C. Bair  
Chairperson, Federal Deposit Insurance Corporation