



TT&L
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August 31, 1999

Cynthia L. Johnson
Director, Cash Mgmt Policy & Planning Division
Financial Management Service
Room 420, 401 14th Street SW
Washington, D.C. 20227

SUBJECT: Proposed Amendment to Treasury Tax and Loan Rate
of Interest

Dear Cynthia Johnson:

This letter is in reference to the proposed amendment to the
TT&L rate of interest, your memo dated August 13, 1999.


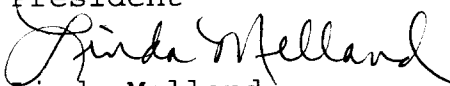
First International Bank and Trust changed from a Remittance
to a TT&L NOTE OPTION Depository effective January 23, 1998.
The major reason we chose to change to a TT&L Note Option
Depository was because of the rate of interest charged to us
for use of Treasury funds.

We have steadily increased our maximum balance in the TT&L
Note Account over the last two years. We have actively used
this account and have found this type of borrowing to be
advantageous to our bank operations.

We would strongly object to the proposed rate increase which
would significantly impact the usefulness of the note option
account in our cash management operations. We maintain that
the current use of the Fed Funds rate minus 25 basis points
is the desired rate. We may have to look at other funding
options if the note account rate is increased.

As a TT&L participant, we would be interested in obtaining
TT&L note balances for a guaranteed term. Anywhere from
30 days up to a one year term.

If you have any questions or comments in this regard, please
feel free to call us at 701-842-2381. Thank you.

Sincerely,

Stephen L. Stenejem
President

Linda Melland
Investment Officer

cc: TT&L, FRB-Minneapolis