



October 31, 2008

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th St. N. W.
Washington, DC 20429

Re: RIN 3064-AD35 – Notice of Proposed Rulemaking on Risk-Based Assessments

Dear Mr. Feldman,

Thank you for the opportunity to comment on the proposed changes to deposit insurance assessments. I am specifically writing about reciprocal deposit placement services, such as CDARS. I believe that CDARS reciprocal deposits should be excluded from the definition of brokered deposits.

We are a \$190,000,000 bank located in a rural community in northern Iowa. We prefer to fund our bank with core deposits and only use borrowed funds from the Federal Home Loan Bank sparingly. However, we do have a number of customers with deposits well above the FDIC insurance limit and would like to serve their needs as well. To do so, we have begun to issue CDARS CD's. This is a great product for community banks. Our customers can consolidate all their deposits under one roof and rest assured that all their money is insured. These deposits are not "hot money". All this money comes from our local market and the vast majority will be reinvested at maturity. To our bank, these are truly core deposits and should not be classified as brokered deposits.

It would be a simple matter for us to segregate CDARS deposits on our call report and we would be happy to do so.

Rural communities cannot grow without community banks. And community banks cannot grow with local deposits. Using CDARS is an excellent way for us to grow with local deposits. Please support legislation to exclude CDARS reciprocal deposits from the definition of brokered deposits.

Sincerely,

Steven L. Afdahl
President

cc: Senator Tom Harkin, Senator Charles E. Grassley, Representative Tom Latham

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