

October 27, 2008

Robert E. Feldman
Executive Secretary
FDIC
550 - 17th St N.W.
Washington, DC 20429

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

Dear Mr. Feldman:

CDARS deposits should be excluded from the Notice's definition of brokered deposit.

McCook National Bank is headquartered in McCook, NE. We are a full-service community bank with over \$224 million in assets and 2 branch locations. We are a member of the Promontory Interfinancial Network and offer the CDARS Reciprocal service which is a highly stable source of funding for us. Our CDARS Reciprocal deposits have all the characteristics of classic core deposits -- the funds come from local customers who generally reinvest their funds when their CDs mature. These certainly are not out-of-market deposits or in any sense "hot money." In fact, the overwhelming majority (96%) of the deposits originate from customers located within twenty-five miles of our offices.

Allowing CDARS reciprocal deposits to be considered brokered deposits does not make sense to me. I signed my contract with my local customer. I see these customers in church, at local school events, and even in their businesses during the term of the contract. The proposed rule would have the effect of punishing institutions involved in serving their local customers.

Past call report modifications have been made to facilitate a better understanding of systemic risks. I can't think of a better reason to support reporting an additional field for CDARS reciprocal deposits. Wouldn't you want to know whether a bank you are concerned about is gathering deposits from their own local customers or from deposit brokers?

In closing, CDARS Reciprocal Deposits should be excluded from the Notice's definition of brokered deposit.

Thank you for this opportunity to comment.

Sincerely,


Brian D. Esch, President/CEO