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Savings and Loan Association of Nebraska

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November 9, 2008

Mr. Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

Attention: RIN No. 3064-AD35, Proposed FDIC Premium Increase

Dear Mr. Feldman:

I am writing in response to the FDIC's request for comments on a proposal to increase deposit insurance premiums. If adopted, the proposal would increase the annual assessment rate for Risk Category I institutions from its current level of 5 to 7 basis points to an assessment rate of 10 to 14 basis points, PLUS certain adjustments. Assessments for Risk Category II institutions would increase from 10 basis points to 20 basis points, PLUS adjustments. Among the adjustments is a "brokered deposit adjustment". As well, the proposal includes changes regarding the use of "secured liabilities" such as our borrowing from the FHLB system.

Today, our bank does not use Brokered Deposits to fund our asset growth. However, our Board of Directors has approved a policy that does apply if we do use this funding vehicle. We do now (and have for a number of years) go out into the national CD market, using the QuickRate system, to bring deposits into our bank. We are a $70.0 million Mutual Thrift, located in Central Nebraska. Gathering deposits at $1000.00 or $10,000.00 per CD does not work all the time.

Our use of the QuickRate system is to supplement our local market deposits, AND, is a very important component of our contingency funding and liquidity plan. I believe it is important for the FDIC to use, as the "model" financial institution, one that is outside the D.C. beltway or New York City. Perhaps the issue here is one of timing. Perhaps the issue here is one of "one shoe does not fit all". As we look at what has happened and what is happening today, with the national economic crisis, and all the debt the federal government is taking on, to place funds into America's largest financial institutions, Wall Street brokerages, and a long list of others, perhaps it is not the right time to make these changes at the FDIC.

Today, our bank does use the "advance window" at the Federal Home Loan Bank of Topeka. Once again, our use of this window is to supplement our local market deposits. What is our best funding option for needed funds, giving us the best net interest spread, and giving us the best chance to be a profitable institution. Thus, this is also a component of our contingency funding and liquidity plan. Buy using term advances or the overnight borrowing (funding) option at FHLB, these are both secured liabilities we are placing on our Balance Sheet, to fund loan request.

Today, we are strongly urging the FDIC to withdraw its Proposed Rule and to delay increasing assessment rates and to delay overhauling the assessment system until the end of 2009, when the fate of several recent federal government interventions potentially affecting the Deposit Insurance Fund have been resolved. Thank you for allowing me the opportunity to comment.

Sincerely,

Homer Pierce

Homer Pierce
Senior Vice President