OCEAN FIRST

November 17, 2008

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 Seventeenth Street, NW
Washington, DC 20429

Attention: Comments - RIN 3064-AD35

Subject: Notes of Proposed Rulemaking – Deposit Insurance Assessments

Dear Mr. Feldman:

On behalf of OceanFirst Bank, Toms River, New Jersey, I am submitting the following comments regarding the Federal Deposit Insurance Corporation's ("FDIC") proposed rule concerning deposit insurance assessments. I appreciate the opportunity to comment on such a timely and important issue.

A strong FDIC insurance fund is essential to maintaining depositor confidence and I support changes to the premium calculation that truly reflect the risk of loss to the insurance fund. The proposal, as it stands, would rebuild the insurance fund to 1.25 of insured deposits within five years. I believe this to be too aggressive in the current environment. The excessively high premiums required to replenish the fund in this manner will impede the resources of the lending community at a critical juncture in the credit cycle. And, runs counter to the efforts of the Treasury and the Congress to stimulate lending and economic activity.

In addition, I find the targeting of Federal Home Loan Bank ("FHLB") advances, securities sold under repurchase agreements, secured Federal funds purchased and other secured borrowings for inclusion in the calculation of assessments to be particularly ill-advised and untimely.

These alternative sources of funds, especially FHLB advances, provide a vital, stable source of liquidity even in difficult times. These alternatives can provide lower cost funds, can assist in balance sheet management and are useful in managing interest rate risk. I believe the use of alternative sources of funds to be consistent with safe and sound banking practice. Under this proposal, undesirable outcomes face financial institutions that utilize FHLB advances. Operating expenses will rise as a result of increased premiums. Unnecessarily high retail deposit rates will continue as financial institutions bid for liquidity. Raising the cost of these alternative sources of funds is counterproductive. Penalizing the use of these funds is contrary to current efforts by the Administration, Congress and the Federal Reserve to restore liquidity and bolster confidence in the financial system.

Thank you for your time and attention to my concerns regarding the proposed rule making.

Sincerely,

Robert A. Laskowski
Vice President/Treaurer