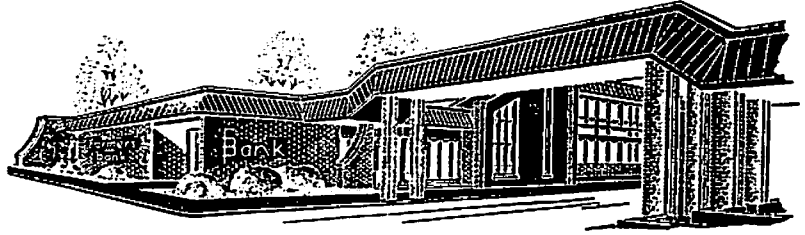




**FARMERS
BANK**



POST OFFICE BOX 350 • HAMBURG, ARKANSAS 71646 • 870-853-5222

October 28, 2008

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

Re: Federal Deposit Insurance Corporation Notice of Proposed Rulemaking,
RIN 3064-AD35

Dear Mr. Feldman:

I am Michael J. Townsend of Farmers Bank, Hamburg, Arkansas. This bank has assets totaling \$33,000,000.00 and we have one branch in a neighboring town. We are not a member of CDARS and support the idea of including those CDARS generated deposits in the brokered deposit totals.

The classic definition of brokered deposit is a deposit for which there is a fee paid. We compete against a bank in our market area that utilizes the CDARS program to buy public fund deposits. Most of the time, the rate they pay is as much as a full percent above the local market. In our market, that money is then used in other parts of the State where the participating bank is operating. That is not a proper use of local public funds.

In closing, CDARS should not be exempted from being reported as brokered deposits. Thank you for your consideration of my position.

Sincerely,

Michael J. Townsend
President and CEO

Robert E. Feldman
Federal Deposit Insurance Corporation
Page 2

Cc: Sen. Blanche Lambert Lincoln

355 Dirksen Senate Office Building
Washington, D. C. 20510

Sen. Mark Pryor

255 Dirksen Senate Office Building
Washington, D. C. 20510

Rep. Michael A. Ross

314 Cannon House Office Building
Washington, D.C. 20515