



**First Midwest Bank**  
*of Poplar Bluff*

November 7, 2008

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

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

Dear Mr. Feldman:

I am writing to you regarding the proposed changes to the classification/definition of CDARS deposits. Our bank offers CDARS Reciprocal Deposits to our customers. We use this product to take care of *our* existing customers. These customers are simply large dollar, long term, loyal customers. Many of these customers were jeopardized by the disappearance of private deposit insurance (Kansas Bankers Surety). CDARS has been one of the key tools that we have used to maintain these customers.

As long as we continue to maintain *our* local customers, then we will in turn maintain reciprocal funding. This is a stable situation and in no way volatile, like brokered deposits. Brokered deposits, as you know, have *no* local elements at all, and are "bought." I cannot see how CDARS approaches this description. Instead, CDARS seems more similar to loan participations or retail repos, neither of which have any type of negative classification.

**Banks are currently in a tough spot. Nationally, it seems that people want us to lend, lend, lend. However, locally, examiners seem to want to see more liquidity, thus less lending. The brokered deposit status of CDARS further hinders our funding and thus our ability to lend.**

In conclusion, CDARS deposits should be excluded from the Notice's definition of brokered deposits. In fact, CDARS Reciprocal deposits should not be considered brokered deposits for any purpose. Thank you for consideration of these comments.

Sincerely,

Joseph McLane  
President