Tensas State Bank

P.O. Box 368

Newellton, Louisiana 71357

W. E. Hawkins, Jr.
President & CEO

November 12, 2008

Phone (318) 467-5401
Fax (318) 467-2370

Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

AGENCY: Federal Deposit Insurance Corporation

12 CFR Part 327 RIN 3064-AD35

Dear Sir:

I wish to make the following comments on revisions to 12 CFR part 327.

Regarding Section XVI, Part A - Solicitation of Comments on Use of Plain Language:

- This proposal is too complicated and not readable at all. It should be prefaced with an executive summary in large type printed in bullet format. A college finance class could spend several weeks attempting to dissect this document.

- Given the upheaval with all financial institutions and regulatory bodies, no aspect of the regulation should be implemented until 2010 as part of a broader view of all the recent deposit insurance changes.

In the event that you choose to implement, I would request that you be mindful of the positive aspects of FHLB borrowings and brokered deposits when used in a prudent fashion as part of a pricing and asset liability strategy by a healthy, well capitalized institution, regardless of its present growth rate. Specifically, I do not believe that a conventional FHLB borrowing should be counted at all. I am not familiar with their derivative and interest swap products so I cannot comment on these products.

Regarding brokered deposits, the FDIC has stated that they can be a prudent tool*. If using a pricing model, as our bank does (USBA), you will often find these products to be a better solution, either for rate or particularly for term, than the local markets provide. We believe that having all your options will result in either maintaining or improving your net interest margin, which in turn should increase your earnings and ultimately your capital, thereby resulting in less risk to the FDIC Fund.

Presently, we have already seen two regional banks, Capital One and Regions, who probably have liquidity and possibly capital problems, paying exorbitantly high CD rates in relation to both the Treasury yield curve and alternative funds. Actions by banks such as these only increase the cost of the local deposit pool which in our market tends to be finite. Therefore, we must always have an alternative option.

Finally, I would point out that our institution presently does not appear to be affected by this proposed rule. We are making our comments for possible future needs and from the perspective of a management team that has experienced several of these market upheavals.

Sincerely,

W.E. Hawkins, Jr.
President & CEO
Tensas State Bank
Newellton, LA

cc: Robert Taylor, Louisiana Bankers Association
John Ducrest, Office of Financial Institutions

*FDIC Risk Management Manual of Exam Policies - Part II - CAMELS-Liquidity - Brokered and Rate Sensitive Deposits