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November 6, 2008

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

Attention: Comments – RIN No. 3064-AD35

Dear Mr. Feldman:

I am writing this letter to express my opposition to the Federal Deposit Insurance Corporation's notice of proposed rulemaking published in the Federal Register on October 16, 2008. I am very much opposed to the proposed increase in deposit insurance premiums on institutions that use secured liabilities and most particularly on Federal Home Loan Bank advances.

Our bank has used FHLBank advances as a major tool in managing our liquidity and as a source of loan funding for many years. We are a very traditional, conservative, portfolio home lender. The FHLBank advances have been a major factor in our ability to make loans when retail deposits from our members were insufficient to meet our loan demand. We strictly use retail deposits and FHLBank advances to meet our liquidity and lending needs while rejecting brokered deposits as a source of funding. If we are forced into a higher cost for our FHLBank advances, we will undoubtedly see an increase in the costs of borrowings for our members which is definitely not needed in these tenuous economic times. I strongly urge the FDIC to withdraw the proposed rule and delay increasing our assessment rates until the end of 2009.

Should the FDIC not withdraw the proposed rule at this time, I suggest that the restoration period be extended to 10 years from the present 5 year projection, remove the adjustment for secured liabilities, and assess no penalty for those of us who heavily rely on FHLBank advances to meet our liquidity and funding needs.

I feel that the FDIC should take a step back and wait to see how the recent intervention of the federal government into the financial markets will work and what those changes will mean to the FDIC deposit insurance fund.

Thank you for your consideration of my thoughts.

Sincerely,

Charles R. Bryant, Jr.
President

BRANCH OFFICES:

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PlainsCapital Corporation

Gregory A. Swank, CFA
Executive Vice President, Treasurer

November 10, 2008

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

Re: RIN 3064-AD35, Proposed FDIC Premium Increase

Dear Mr. Feldman:

I am writing in response to the Federal Deposit Insurance Corporation's (the "FDIC") request for comments on a proposal to increase deposit insurance premiums. I am the Treasurer of PlainsCapital Bank (the "Bank"), a $3.5 billion Dallas, Texas based, state-chartered commercial bank with offices in Austin, Fort Worth, Dallas, Lubbock, San Antonio, Lubbock, and Weatherford, Texas. My perspective comes from 35 years of banking and capital markets experience. Our genesis is a community bank in Lubbock which expanded by employing excess liquidity in the form of loans--first in Dallas and then in the other markets that we started to service in the state of Texas. Rather than acquire other institutions, we have opportunistically acquired experienced people with strong books of customer business. Our target customers are high net worth individuals or middle market companies who are too large for the community banks and who, for a variety of reasons, are underserved by the large national/international giants. This strategy has been very successful and the bank has doubled in size in the past five years.

As a result of this business model, loan volume growth has surpassed that of core deposits. Recognizing the importance of liquidity and funding, the Bank consulted with regulators and attended liability management seminars to ascertain an appropriate course of action for wholesale funding. After careful study, management instituted a wholesale funding ratio cap of 35% for Brokered CD's, term FHLB Advances, and term Federal Reserve Discount Window borrowings to total deposits. This benchmark was incorporated into ALCO Policy five years ago and was approved by the Asset and Liability Committee and the Board of Directors. It has been thoroughly scrutinized by the Texas Department of Banking and the Federal Reserve. The Bank's Treasury Department is responsible for funding the institution as prudently as possible using multiple, dependable channels.

When appropriate, the Bank has employed Brokered CD's in excess of 10% of its total deposits. More recently, Brokered CD's have been a much less expensive form of funding than customer

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CD's. Retail is being bombarded by troubled depositories offering rates that are unrealistically high. For example, Capital One has been offering CD rates above the prime rate. Citibank, Countrywide (Bank of America), and Bank of Texas have been offering CD's with maturities under one year with rates within 50 basis points of the prime rate. Conversely, the Bank has been able to tap the Brokered CD market at a savings of approximately 80 to 100 basis points compared to these other depositories. And because PlainsCapital does not have the asset issues of above companies, the Bank has been able to obtain sizeable Brokered CD deposits at 20 to 30 basis points below other Brokered CD issuers of comparable maturities.

The Bank's Brokered CD issuance is reported to ALCO and the Board on a regular basis. This information is part of a Bank Liquidity Report which includes overall liquidity, Fed funds activity, FHLB Advances, Federal Reserve Discount Window borrowings and other germane topics. In addition, a multi-scenario liquidity shock analysis is performed. We believe that strong liquidity coupled with strong capital and strong earnings are keys to ongoing success. They certainly have been the solid foundation that has allowed us to not only survive but continue to successfully grow during these tumultuous times. In fact, we have been able to judiciously expand credit in an environment where contraction has been common place.

We believe that prudent use of Brokered CD's should not be penalized by the FDIC and do not feel that a 10% benchmark is an appropriate measure of risk. Further, we suggest that there are already mechanisms in place which measure the creditworthiness of a depository. If additional premiums are to be imposed, we would urge the FDIC to impose them on the less credit worthy institutions as these are the bodies that are more likely to fail.

Thank you for the opportunity to share our perspective. Should you have any questions or would like to discuss this in greater detail, please feel free to contact me at 214-252-4153.

Sincerely,

Gregory Swank

Gregory A. Swank, CFA
EVP & Treasurer