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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:

We respectfully submit our response to the Federal Deposit Insurance Corporation's (the "FDIC") request for comments on a proposal to increase deposit insurance premiums. If adopted, the proposal would increase the annual assessment rate for Risk Category I institutions from its current level of 5 to 7 basis points to an assessment rate of 10 to 14 basis points, plus certain adjustments. Assessments for Risk Category II institutions would increase from 10 basis points to 20 basis points, plus adjustments. Among the adjustments is a "brokered deposit adjustment."

We believe that the use of brokered deposits is directly related to the degree of competition in an individual bank's market and that these deposits should not be considered for premium increases "across the board". We know that we have more brokered deposits than an institution of our size in a smaller, less competitive city. As a de novo, our bank uses brokered deposits and finds them to be a useful and important source of liquidity, particularly in our competitive banking market of Greenville, SC. (35 institutions and 4 de novos in the last four years).

We currently have some competitors, who are paying higher than prime rates on local CDs, and with margins as they are, we believe it to be good business sense for us to prudently utilize brokered CDs to fund loan portfolio growth. All of our brokered deposits are obtained through registered broker-dealers.

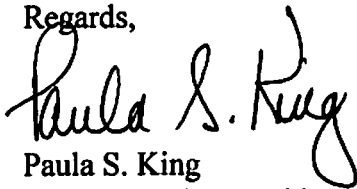
There is no evidence that the 10% brokered deposit threshold and the 20% growth threshold are closely related to the risk of losses to the deposit insurance fund. The 20% growth threshold over four years allows only 5% growth per year, which cannot be viewed as "aggressive", and would detrimentally impact our loan growth. We believe that the 10% brokered deposit threshold will discourage reasonable brokered deposit use above that amount because banks and their examiners will view it as a cap.

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We request that the FDIC reconsider the proposed structure of these premium increases on brokered deposits as these premiums do not take into account individual bank attributes such as market competition and overall risk profile

Regards,



Paula S. King
Executive Vice President and Chief Financial Officer

Cc: Russel T. Williams, President