

November 13, 2008

Robert E. Feldman  
Executive Secretary, FDIC  
550 - 17th St N.W.  
Washington, DC 20429

Re: RIN 3064-AD35 - Notice of Proposed Rulemaking on Risk-Based Assessments

Dear Mr. Feldman:

Republic Bank & Trust Company ("Republic"), headquartered in Louisville, KY, appreciates the opportunity to submit our comments on the Federal Deposit Insurance Corporation's (FDIC) proposed changes to deposit insurance assessments. Republic is a full-service commercial bank with \$3.0 billion in assets and 38 branch locations.

We are particularly interested in the determination of whether or not reciprocal deposit placement services, commonly referred to as the CDARS program, should be exempted from the definition of brokered deposits. We firmly believe that the CDARS program as operated at most banks like Republic, should be excluded from the definition of brokered deposits. In simple terms the reciprocal CDARS product that we carry on our books is not a brokered deposit, but we are concerned it could be wrongfully characterized or defined as such.

Republic is a member of the Promontory Interfinancial Network and we offer our client base the CDARS reciprocal service which, in addition to providing additional insurance coverage to our clients, also provides us with an additional stable source of funding. Our CDARS reciprocal deposits are arguably indistinguishable from our core deposits in that the deposits on our books are directly attributable to the deposits that are generated from our clients in our markets, who have shown a preference to maintain their funds in the program, unlike brokered funds, beyond their initial maturities. Our clients do not, as a whole, come to us from other market areas. In fact, the overwhelming majority (94%) of the deposits that we originate are from clients located within twenty-five miles of our branch offices.

Any attempt to define CDARS reciprocal deposits as brokered deposits is arguably inconsistent with the facts. Republic is responsible to its clients, not to intermediaries as

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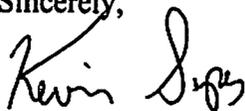
is the case with brokered deposits. In order to promote fairness within the assessment system, a deposit that is not a brokered deposit should not be unfairly classified as a brokered deposit without a factual basis for that designation. Our CDARS deposits are originated by us, Republic, not by a broker. CDARS clients bank with Republic because of our client relationship, not because the deposit product is a high yield product that can be improperly construed as a "hot money" deposit. The reinvestment rate of our clients alone, which is very high, supports Republic's assertion that this money is not "hot money".

Our local clients utilize our CDARS program in order to maintain their relationship with us while enjoying the safety of expanded FDIC coverage that CDARS provides. We want to keep these clients and these clients want to keep Republic as their bank. To equate this relationship with the relationship we have with a brokered deposit customer is nonsensical and unsupported. While our CDARS clients have deposits that are shared with other institutions, our client's personal information remains private (other than for the recordkeeping bank) and Republic retains full control over the client relationship.

Even though call reports do not presently distinguish between CDARS deposits and brokered deposits, it would be a simple matter for Republic to separately report CDARS holdings.

In conclusion, Republic respectfully requests that CDARS deposits be excluded from the Notice's definition of brokered deposits. We trust that the FDIC can recognize the fact that CDARS reciprocal deposits perform in every respect like any other core deposit. Thank you for this opportunity to comment.

Sincerely,



Kevin Sipes  
Executive Vice President & CFO

cc: Sen. Jim Bunning

Sen. Mitch McConnell

Rep. John Yarmuth

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