



FIRST FARMERS STATE BANK

Employee Owned. Customer Focused.

November 14, 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 this letter on behalf of First Farmers State Bank and its board in response to your request for input on the proposed premium increase. We believe that the FDIC should not impose an increase for brokered deposits and strongly encourage you to remove this provision from the proposal.

As a community bank, we have always been conscientious and prudent in managing our risks. Brokered deposits have been an alternative funding source for banks such as ours over the years. Imposing these unrealistic thresholds discourages our use of brokered deposits. This will force us to find more expensive sources at a time when the economy needs community banks like ours to be financially strong. We need inexpensive funding so that we can, in turn, use our earnings to help our local businesses and families thrive.

There is no evidence that proves the proposed 10% brokered threshold and 20% growth threshold are related to risks of losses to the insurance fund. In fact the 20% growth over a period of four years only yields 5% growth, which is hardly aggressive or risky enough to warrant increased premiums.

We respectfully request that the FDIC consider removing this provision from the proposed premium increase. Thank you for your consideration.

Sincerely,

Brian Schroeder
President & CEO

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