



December 2, 2008

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

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Dear Mr. Feldman:

Re: RIN 3064-AD35, Proposed FDIC Premium Increase

I am writing today in response to the request by the Federal Deposit Insurance Corporation for comments on its proposed increase in deposit insurance premiums.

First, doubling the basis points in the assessment rates is a material increase in the expenses of all FDIC insured financial institutions, which are trying to cut costs during a very turbulent market.

My more serious opposition is to the "brokered deposit adjustment" to the base assessments.

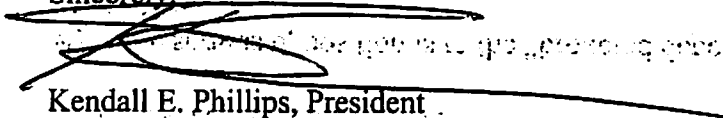
The greatest advantage to DTC brokered deposits is that they are not eligible for early withdrawal (except in a rare case of death or adjudication of incompetence), and so, assist banks in the event that they need deposits in a quick time frame.

Additionally, brokered deposits are frequently the most cost-effective funding source to provide a financial institution with liquidity in this economic environment.

The 10% brokered deposit threshold will be seen by banks, and especially examiners, as a cap, not a guideline, discouraging reasonable use of brokered deposits with no risk to the deposit insurance fund.

Thank you.

Sincerely,


Kendall E. Phillips, President