From: Rodney Plackett
Sent: Friday, October 24, 2008 1:04 PM
To: Comments
Subject: RIN3064-AD35

From a small bank not involved in this whole mess, but whose FDIC premiums seem to be increasing significantly because of those who were, I am happy to see your risk based approach and am impressed by the FDIC and Sheila Bair approach to try and correct the problem, but disappointed in all the regulators for letting the problem occur.

3 things caught my attention in the proposal:

First, the premium for brokered deposits. We use the CDAR program and under your proposal would not be affected. But, CDARs are not really brokered funds. We are taking our customers deposits, giving them FDIC insurance with another bank and receiving another banks customer deposits in return. We are not buying "hot money" from another bank, we are providing a service to our customers.
It's interesting that a product like Rate Qwick is not considered brokered funds and from my perspective all you are doing is buying "hot money" with that program.

Second the premium for FHLB borrowings. We borrow from the FHLB and under your proposal would not be affected. But, not all FHLB borrowing are true borrowings. If we can borrow at a rate and at the same time invest at a higher rate in an agency obligation, we have used this program for the spread earned.

Third, I hope that the two banks created by Goldman Sachs and Morgan Stanley are being charged appropriately for their FDIC membership. I hope that the people that caused the problem aren't getting a free ride.

Rodney Plackett
President

First National Bank in Paxton
106 North Market St.
Paxton, IL 60957