



October 23, 2008

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

Re: Federal Deposit Insurance Corporation Notice of Proposed Rulemaking, RIN 3064-AD35

Dear Mr. Feldman:

As the Chief Financial Officer of Four Oaks Bank & Trust Company, with 17 branches and assets over \$900 million, I am charged with finding the most advantageous sources of funding. Since we are a community bank we highly value our local depositors even if we have to pay higher rates than we would pay to obtain wholesale funding because North Carolina is a highly competitive market for retail banking. We were one of the first banks to sign up for the CDARS program, not because our customers were concerned about FDIC deposit insurance, but because it gave us a competitive advantage to be able to "cover" larger deposit balances. CDARS has always been about attracting local deposits that we did not have, but lately it has become a means of keeping some of our most loyal customers feeling safe. These are our core customers' deposits, not brokered deposits. We set the rates based on local competition and they are usually lower than our non-CDARS rates.

We were never overly concerned about the brokered designation being applied to CDARS balances because they did not make up a significant percentage of our deposits and we were not being penalized for having brokered deposits. With the increasing interest in the CDARS program caused by the fear ignited by bank failures and constant negative media about financials, and the potential for higher FDIC insurance premiums based on our level of brokered deposits, we are now concerned with this designation.

Most of the customers that get into the CDARS program remain in the program. After all they had a reason for participating, whether it was a fiduciary duty or just wanting to know that their deposits were completely safe, and as long as their reasons remain valid they have no reason to stop participating.

In my opinion CDARS deposits have none of the characteristics of traditional brokered deposits and should not be designated as such for any purpose. Please support all efforts to remove the brokered deposit designation from CDARS deposits. Your support of this important matter will be greatly appreciated.

Sincerely,

Nancy S. Wise
Executive Vice President & Chief Financial Officer

Cc: Senator Richard Burr
Senator Elizabeth Dole
Representative Bob Etheridge
Representative Walter B. Jones, Jr.
Eugene Ludwig, Chairman, Promontory
Alan Blinder, Vice Chairman, Promontory
Mark Jacobsen, President and COO, Promontory
Paul Stock, NCBA
Ann Grochala, ICBA