

From: Tommy Ellison [mailto:tellison@cbtx.com]
Sent: Thursday, January 29, 2009 2:37 PM
To: Comments
Subject: Part 337- Interest Rate Restrictions

Commercial Bank of Texas, N. A. is a 107 year old community bank with \$330 in assets that provides services from 12 branches in four rural East Texas counties and one branch in Collin County. In response to your request for comments we submit the following:

1. The definition of "market area " and "normal market area" should conform to the assessment area delineation used by the bank for community reinvestment purposes. This definition may be determined by reference to 12CFR 25.41. Both the bank and its regulatory agency should already be in agreement on the market area served by the bank and its branches and any definition of the bank's market or assessment areas should be consistent for all regulatory purposes.

2. The FDIC may create a presumption that the prevailing rate in a market is the "national rate" absent any data to the contrary; however, a bank should be able to submit data obtained from private rate watch services or websites to establish a different prevailing rate within the bank's market area. Generally, quoted CD rates of competing banks within a market area are readily available.

3. Yes

4. The definition of the "national rate" should exclude rates paid by depository institutions that are not well capitalized from the calculation of the average rate.

5. There should not be a multiplier applied to the average rate. The objective to restrict excessive interest payments is not well served by the application of a subjective multiplier.

6. The FDIC should permit data to be obtained from one or more private companies. Community banks use such services now to determine competitive interest rates.

7. The FDIC or another regulatory agency should make the "national rates" readily available to banks and examiners.

8. Yes

9. The FDIC should reduce the variance from 75 basis points to something between 25 to 50 basis points for maturities of one year or less. A variance of three times the target rate of fed funds (currently 0 to .25%) is excessive for short maturities.

10. The limits on interest should also be applied to those institutions with unsatisfactory CRA performance.

Thomas W. Ellison
Chairman of the Board & CEO

Commercial Bank of Texas, N.A.
P.O. Box 635050 Nacogdoches, Texas 75963