



September 9, 2015

Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Re: Federal Deposit Insurance Corporation Notice of Proposed
Rulemaking (RIN 3064-AE37)

Dear Mr. Feldman:

Tioga State Bank is headquartered in Spencer, NY. We have \$419mm in assets and 11 branches and we appreciate the opportunity to comment on the Federal Deposit Insurance Corporation (FDIC) Notice of Proposed Rulemaking (NPR) proposing changes to the FDIC's deposit insurance assessment regulation for small banks. In particular, we would like to comment on how this proposal would affect reciprocal deposits.

Tioga State Bank is part of a reciprocal deposit placement network. We have found reciprocal deposits to be a stable source of funding and an important part of our liquidity contingency plan. Utilizing the reciprocal deposit program also affords additional protection to our local customers. Our reciprocal deposits are time deposits, with specific maturity dates and, as such, could be considered more stable than many of our local non-maturity deposits. The funding we introduce into the reciprocal funding program, therefore, should not be considered wholesale, since it originates from our local depositors, who are core to our business model.

In short, we strongly urge the FDIC to continue to separate the treatment of reciprocal deposits from that of wholesale funding sources. Reciprocal deposits have a very different risk profile than wholesale funding and should not be treated as such. Since the premium assessment for an institution is supposed to reflect the risks posed by its assets and liabilities, I would suggest that reciprocal deposits are no more risky, and possibly more stable, than local deposits.

We ask you to consider retaining the current system's classification of reciprocal deposits. Thank you for considering our opinion.

Sincerely,

A handwritten signature in cursive script that reads 'Robert Fisher'.

Robert Fisher
Chairman, President & CEO

cc:

The Honorable Charles Schumer
322 Hart Senate Office Building
United States Senate
Washington, D.C. 20510

The Honorable Kirsten Gillibrand
478 Russell Senate Office Building
United States Senate
Washington, D.C. 20510

The Honorable Tom Reed
2437 Rayburn House Office Building
United States House of Representatives
Washington, D.C. 20515

The Honorable Martin J. Gruenberg
Chairman
Federal Deposit Insurance Corporation
550 17th St., NW
Washington, DC 20429