



September 1, 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:

Signature Bank of Arkansas is headquartered in Fayetteville, AR; we have approximately \$500 million in assets and 5 banking locations. We welcome the opportunity to comment on the Federal Deposit Insurance Corporation (FDIC) Notice of Proposed Rulemaking (NPR) which proposes 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.

In short, we strongly urge the FDIC to continue to separate the treatment of reciprocal deposits from that of traditional brokered deposits in setting assessments. Reciprocal deposits are stable sources of core funding that do not present the risks and other characteristics of traditional brokered deposits. The separate treatment of reciprocal deposits from that of traditional brokered deposits in the current assessment system recognizes the differences between the two types of deposits. Reciprocal deposits are not just another form of wholesale funding and should not be treated as such.

Nothing has changed since 2009 when the FDIC recognized that reciprocal deposits "may be a more stable source of funding for healthy banks than other types of brokered deposits and that they may not be as readily used to fund rapid asset growth."

Further, as the FDIC's proposal itself points out, the premium assessment for an institution is supposed to reflect the risks posed by its assets and liabilities. Those risks must be specific and should be measurable. Reciprocal deposits do not present any of the risks and concerns that traditional brokered deposits do: instability, risk of rapid asset growth, and high cost. On the contrary, reciprocal deposits come from local customers. We typically have relationships with our customers that go far beyond merely accepting their deposits. The FDIC's proposal gives no justification for treating reciprocal deposits like traditional brokered deposits - no facts, figures, or analysis. Instead, it arbitrarily lumps the two together.

Again, we strongly urge you to retain the current system's exclusion of reciprocal deposits from the definition of "brokered" for assessment purposes. We also strongly urge the FDIC to support legislation to explicitly exempt reciprocal deposits from the definition of brokered deposit in the Federal Deposit Insurance Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Head". The signature is fluid and cursive, with a large loop at the end.

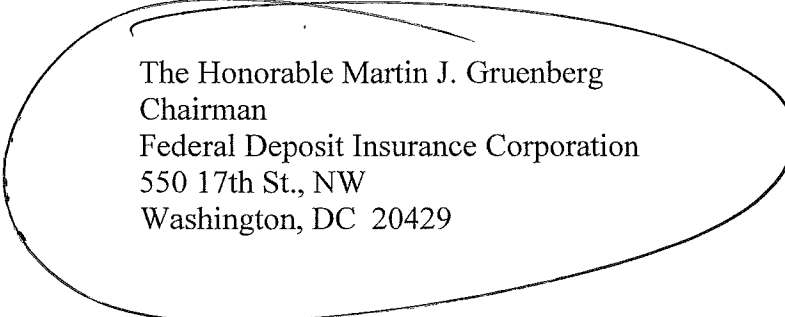
Gary Head
Chairman, President, & CEO

cc:

The Honorable John Boozman
141 Hart Senate Office Building
United States Senate
Washington, D.C. 20510

The Honorable Tom Cotton
124 Russell Senate Office Building
United States Senate
Washington, D.C. 20510

The Honorable Steve Womack
1119 Longworth House Office Building
United States House of Representatives
Washington, D.C. 20515

A hand-drawn oval in black ink that encircles the entire address block for Martin J. Gruenberg.

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