
Subject: FW: Comments to FDIC (FIL-51-2015 - FAQ Regarding Identifying, Accepting, and Reporting Brokered Deposits)

From: Chris Duncan [<mailto:chris@jumbocdi.com>]
Sent: Thursday, November 19, 2015 1:07 PM
To: BrokeredDepositFAQs
Subject: Comments to FDIC (FIL-51-2015 - FAQ Regarding Identifying, Accepting, and Reporting Brokered Deposits)

FAQ should make it much more clear, that banks can accept brokered deposits. The FAQ should add information on the positive aspects of using brokered deposits and deposit brokers. Brokered deposits are usually less costly than other funding alternatives and are certainly more efficient. Using a deposit broker reduces the time that needs to be allocated to dealing with contacting, set-up, questions, etc. It is far more efficient to reach out to a few points of contact to handle \$10MM whether it is a few block instruments or \$250,000 increments, than dealing with 100 to 10000 points of contact for smaller dollar denominations.

Although, "A3. How does the FDIC view brokered deposits?" alludes to banks being able to accept them, for some reason banks seem reluctant to do so. A3 mentions the problems with them, but those problems are also inherent to other forms of deposits such as an over dependence on rate listing service deposits and it is high time that the FDIC acknowledges this and what better place than the FAQ.

The FAQ should not read as a judgement against brokered deposits, because without them, many communities would not have the access to the loans they need to foster much needed growth. The FDIC should spend an equal, if not more, amount of time praising them, then attacking them. A healthy use of brokered deposits has helped numerous banks with profitability while providing deposits to fund loans the banks make in their communities.

Cd :O)



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*The Lord will rescue me from every evil attack and will bring me safely to his heavenly kingdom.
To him be glory for ever and ever. Amen. -- 2 Timothy 4:18 (NIV)*