

LYTLE STATE BANK
P. O. Box 575
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Lytle, Texas 78052

September 22, 2010

Federal Deposit Insurance Corporation
520 – 17th Street NW
Washington, D.C. 20429-9990

DELIVERED VIA E-MAIL:
OverdraftComments@fdic.gov

Re: FIL-47-2010

Dear Sir or Madam:

I work at a \$70,000,000 bank that has been in this community for One Hundred years. We employ 24 people and serve the banking needs of approximately 10,000 people in this area. We retain our customers because of the customer service we provide them. If they felt as though we were taking advantage of them, we would certainly no longer be their banker.

The six overdrafts, in a rolling 12-month period, requirement is an arbitrary number that is counter to existing Reg. DD requirements that require you provide overdraft information to your customer on a year to date basis. Is there any way the FDIC can introduce the notion of discretion in the monitoring of the six overdraft in a rolling 12-month period requirement and whether all FDIC examiners will have the same definition of an “appropriate daily limits on customer costs”? I suggest if this is the direction in which the FDIC is moving, then FDIC should clearly define “appropriate daily limits”.

In the most recent FDIC Industry Wide Profitability of the Quarter ending June 30, 2010, FDIC reported total financial industry profitability of \$21.6 billion dollars. Of that large banks with assets with more than \$10 billion dollars (which represent 1.3% of all banks) made \$19.9 billion. **THIS REPRESENTS 92.9% OF ALL PROFITS**, which means all the rest of the 98% banks made only \$1.7 billion – not a good reflection on the health of our industry. This after our bank paid FDIC a three (3) year Prepaid FDIC Assessment of \$213,706.75. Where is the future loss to be paid from?

I would like to reiterate the fact that the majority of our customers make sound financial decisions and, for those who do not, we already work with/counsel them to get them into the product that best fits their financial needs.

I appreciate your providing me with the opportunity to comment on this matter and I hope the DFIC will reconsider the promulgation of this guidance.

Sincerely,

Franklin S. Wanjura, Jr.
President and CEO
Lytle State Bank
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