ARVEST®
BANK
Member FDIC

March 23, 2006

Mr. Christopher Hencke
Counsel
Legal Division
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, D.C. 20429-9990

RE: FIL-2-2006; Large-Bank Deposit Insurance
Determination Modernization Proposal

Dear Mr. Hencke:

Please accept this letter of comment on the above noted Advance Notice of Proposed Rulemaking.

Arvest Bank is an Arkansas-chartered state bank and a member of the Federal Reserve Bank of St. Louis. Total assets at December 31, 2005 were about $8.1 billion. Arvest Bank operates from approximately 200 banking locations in Arkansas, Missouri and Oklahoma.

While we appreciate the FDIC's interest in having better data available as to insured deposits upon a bank failure, we are very skeptical of such an undertaking as proposed. Although placing codes on accounts may seem simple, in practice this will require very careful consideration of field layouts, clear definitions of each code, training of any employees who can enter or modify data bases and ongoing quality assurance work as to data integrity. All of these actions involve time and money. It is not possible to estimate those costs without a reasonably well-defined scope of the project. However, it is anticipated to be significant.

Requiring banks to implement such a capability in preparation for an occurrence that is very unlikely to occur seems wasteful. This represents a serious regulatory burden where implementation costs are not insignificant and maintenance costs are ongoing, all for a benefit which will likely never be realized by anyone.

We would propose an alternative, as below:

- Banks rated "1" or "2" would not be required to implement such a system;

- Banks rated "3" would be required to implement such a system before the rating can be raised above "3";

- Banks rated "4" would be given a reasonably short timeline (say one year or less) to implement such a system;

- Banks rated "5" are likely to be entering the resolution stage already but could be treated similar to a "4" if time permits; and

- Banks rated "1" or "2" would be allowed an FDIC premium assessment credit for implementing and maintaining an acceptable system. This would provide a carrot to banks to have such systems in place where the likelihood of failure is extremely remote.

The rating should not take into account the presence or absence of such a system. For example, a bank otherwise rated "2" would not be rated "3" due to the absence of the system.

In addition, any such system should have clear, well-defined requirements so that an objective assessment can be made by a third party to determine the system is in place and functioning.

We oppose the proposed in its entirety as written. Perhaps a revised proposal with more details of exactly what is expected would be appropriate.

Sincerely,

J. Robert Kelly

J. Robert Kelly
Executive Vice President/Finance