



September 3, 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:

Native American Bank, N.A., headquartered in Denver, CO, is a Native American-owned Community Development Bank (CDB) that provides access to financial services for Native American and Alaska Native communities across the country. We concentrate on pooling Indian economic resources to increase Indian economic independence by fostering a climate of self-determination in investment, job creation and sustainable economic growth. Among the many issues facing Native Americans, the absence of access to financial capital and services has been a significant impediment toward the realization of self-sufficiency and financial freedom across Indian Country.

Our current shareholders include 30 Tribal Nations, Tribal Corporations and Alaskan Native Corporations in 19 states: Alaska, Arizona, California, Colorado, Connecticut, Florida, Idaho, Iowa, Louisiana, Michigan, Minnesota, Montana, Nebraska, New Mexico, North Dakota, South Dakota, Washington, Wisconsin, and Wyoming and 3 shareholders who are foundations and a community development corporation.

We have \$71 million in assets and two full service brick-and-mortar offices: our headquarters and a branch in Browning, MT, on the Blackfeet Reservation as well as a loan production office on the Rocky Boys Reservation in Box Elder, MT.

Our independently-operated affiliate, Native American Community Development Corporation (NACDC), is a nonprofit IRS 501(c)(3) tax exempt organization that assists tribal communities in addressing economic development.

We are a member of the Community Development Bankers Association (CDBA) and certified as both a Community Development Financial Institution (CDFI) and Minority Deposit Institution (MDI).

We hold reciprocal deposits, which, at nearly \$13 million, account for 20 percent of our total deposits. As we will explain, because we are a minority-owned CDB reciprocal deposits play a critical role in our funding strategy.

We welcome the opportunity to comment on the Federal Deposit Insurance Corporation (FDIC) Notice of Proposed Rulemaking (NPR) on insurance assessments for small banks, and particularly on the impact this proposal would have on minority-owned banks and CDBs such as ours that hold reciprocal deposits.

To make loans, we need deposits. The proposal would arbitrarily impose a significant penalty on banks that use reciprocal deposits, a penalty that would hit minority-owned banks and CDBs like ours the hardest. Reciprocal deposits enable banks like ours to attract large deposits from socially-motivated investors. As a result, we rely on reciprocal deposits much more than other community banks do. Further, because of our social mission, we put that money to work in our community. If this penalty is imposed as proposed, it will affect us disproportionately, and the communities we serve will suffer from decreased credit opportunities.

The proposal provides no data and gives no reason why this stable, nonvolatile source of funding should bear this penalty. In fact, reciprocal deposits in general exhibit characteristics of a core deposit. Customer relationships typically are long term. We set the interest rates based on our local market conditions. These are not “hot” deposits that flow from bank to bank chasing interest rates.

The current system takes these characteristics into account in setting assessments for small banks, recognizing they can provide banks with a stable source of funds. This recognition and treatment are absent in the FDIC’s proposal.

We encourage you to revise the proposal so that it reflects the current treatment of reciprocal deposits.

Further, we strongly urge the FDIC to support legislation explicitly exempting reciprocal deposits from the definition of brokered deposits in the Federal Deposit Insurance Act, which would settle any uncertainty as to their status.

Sincerely,

A handwritten signature in blue ink, appearing to read "Thomas D. Ogaard". The signature is fluid and cursive, with a large loop at the end.

Thomas D. Ogaard

President and Chief Executive Officer

cc:

The Honorable Michael Bennet  
U.S. Senate  
458 Russell Senate Office Building  
Washington, DC 20510

The Honorable Cory Gardner  
U.S. Senate  
8408 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Diana DeGette  
U.S. House of Representatives  
2368 Rayburn House Office Building  
Washington, DC 20515

The Honorable Ed Perlmutter  
U.S. House of Representatives  
1410 Longworth House Office Building  
Washington, DC 20515

The Honorable Jon Tester  
U.S. Senate  
311 Hart Senate Office Building  
Washington, DC 20510

The Honorable Steve Daines  
U.S. Senate  
1 Russell Senate Office Building  
Washington, DC 20510

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