

March 18, 2019

To Robert E. Feldman, Executive Secretary
Attention: Comments Regarding February 6, 2019 - Unsafe and Unsound Banking Practices: Brokered Deposits and Interest Rate Restrictions; Comment Request (RIN 3064–AE94)

Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429

Dear Mr. Feldman,

I appreciate the opportunity to comment on this important issue and would like to perhaps help frame the matter of the usage of Brokered Deposits in the context of today's world. There has been some alarmism on the part of some that seem to lay much of the blame for many bank failures at the feet of brokered deposits. The argument is that brokered deposits and other wholesale sources of funding can be abused and therefore there is a regulatory mandate to restrict the usage of these sources regardless of how they are used.

I think that this is a flawed interpretation of the actual situation we find ourselves in. The world is becoming more and more competitive on any number of dimensions, especially in the area of the cost of money. No longer is it difficult to move money from one organization to another. No longer do we simply compete with the bank across the street, but the bank across the nation and the bank in all of our customers' pockets. The Internet has truly made the world of money-pricing flat. The Internet bank is just as much a competitive threat as brick and mortar institutions.

Rather than focusing on the liability side of the balance sheet as the current brokered deposit rules try to do, the real culprit in the Great Recession and other smaller crises in history were on the asset side of the balance sheet. The problem is not so much where banks get their money, but what they do with it once they get it. As long as prudent investment/loan strategies are followed, the concern over where the money comes from shouldn't dictate an increased risk profile by default. Money is money. A liability is a liability. Does it really matter whether the customer we borrow it from came to us through our front door, or saw our rates with a listing service on the Internet?

As mentioned by others, I think the Brokered Deposit restrictions should be done away with in favor of doing what the FDIC already does: ensure that banks are safe and sound in the way they use ALL deposits that they get.

Respectfully submitted,

Jamie Waller, President and CLO