



August 27, 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:

Bank2, headquartered in Oklahoma City, OK, is a Community Development Bank (CDB) that is dedicated to helping people build better lives. We have \$115 million in assets and one office. Bank2 is a wholly-owned subsidiary of the Chickasaw Banc Holding Company, which in turn is wholly-owned by the Chickasaw Nation. We empower the Chickasaw people and other Native Americans.

The Chickasaw Nation is a federally recognized tribe with more than 38,000 citizens. About 21,000 reside in Oklahoma. The Chickasaw Nation currently employs more than 10,000 individuals and owns approximately 60 businesses including motels, restaurants, travel plazas, a chocolate factory, radio stations, a newspaper and Bank2. From the revenues of these businesses, the tribe provides a wide variety of programs and services to its people, including health care, education, housing, and family services. Successful economic development is an integral part of the effort to enhance the quality of life of Chickasaw people.

Bank2 is the number one source of Native American home loans in Oklahoma and the number three source nationally. We are a member of the Community Development Bankers Association. We hold reciprocal deposits, which, at \$24 million accounts for 25 percent of our total deposits. As we will explain, because we are a minority-owned Community Development Bank (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.

Furthermore, many of our reciprocal deposits come from Indian Tribes. This change would force us to pay them less of their deposits. This change would have a very negative affect on these tribes as they rely on the interest earned on their deposits.

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. We have proved this to be the fact every time we are examined.

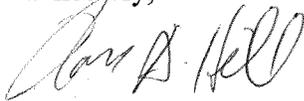
Congress has passed legislation requiring the regulators to assist minority owned bank and to do everything they can to assist us and help us succeed. This change would be directly contrary to the charge Congress has given bank regulators.

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,



Ross Hill
President and CEO

cc:

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