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November 5, 2008

Robert E. Feldman  
Executive Secretary  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> St, N.W.  
Washington, D.C. 20429

**Re: FDIC Notice of Proposed Rulemaking, RIN 3064-AD35**

Dear Mr. Feldman:

I am Peter Hurst, Founder, President and CEO of The Community's Bank (TCB) headquartered in Bridgeport, CT. TCB is the only Minority-Owned bank in Connecticut. We are certified by the U.S. Treasury Department as a Community Development Financial Institution (CDFI). TCB has been awarded a U.S. Treasury Department Bank Enterprise Award in recognition of our success in lending in distressed areas of Bridgeport, Hartford, and New Haven. To earn certification as a CDFI by the U.S. Treasury Department's Community Development Financial Institutions Fund, the primary mission of the bank must be community and economic development.

Last year, GE Money deposited \$3 million in TCB to support increased lending in Connecticut's urban centers. That deposit made an enormous difference to our bank -- we currently have \$50 million in assets -- and to our mission of serving our community. It made funding available where funding is needed most for home ownership, for the acquisition and rehabilitation of real estate, and for entrepreneurship. We benefited from the GE Money deposit because we are members of the Promontory Interfinancial Network and can offer the Certificate of Account Registry Service (CDARS). With CDARS, banks such as TCB can offer customers access to full FDIC insurance on deposits above \$250,000. GE Money deposited the \$3 million with us through our CDARS program. **Today, CDARS Reciprocal Deposits account for 33% of our total deposits.**

Banks like TCB grapple with the challenge of growing our deposit base because we operate in urban markets that have modest discretionary income. As a result, it is difficult to raise deposits solely from our communities in order to meet the demand for credit. In response, an integral part of our funding strategy is to raise deposits from civic-minded and socially-motivated individuals and institutions within our greater market areas. Examples of CDARS depositors include the United Way of Eastern Fairfield County, Bridgewater Savings Bank, the Fairfield County Community Foundation, the St. Vincent's Medical Center, the Child Guidance Center of Greater Bridgeport, Pitney Bowes Bank, Citizens Bank, and GE Money. Supporting the Bridgeport community by making a deposit in The Community's Bank was the primary motivation for th GE Money, the consumer finance arm of Fairfield, Connecticut-based General Electric. Our experience demonstrates that investors are willing to invest much larger deposits in community banks like ours when they are assured that deposits are secured. CDARS Reciprocal Deposits provide that assurance.

I am writing to comment on the Federal Deposit Insurance Corporation (FDIC) Notice of Proposed Rulemaking, RIN 3064-AD35. In particular, for the purposes of the proposed rule, I strongly urge the FDIC to exclude from its definition of "brokered deposits" CDARS Reciprocal and other such deposit placement services. Without that exclusion, the FDIC's proposed rule would defines "brokered deposits" in such a manner as to include reciprocal deposits received through services such as the Certificate of Deposit Account Registry Service (CDARS).

Without CDARS as a magnet for attracting socially motivated investors, TCB would not be able to originate loans at a scale sufficient to have the positive impact on community development that we have today. TCB urges the FDIC to ensure that CDARS can continue to play this critical role.

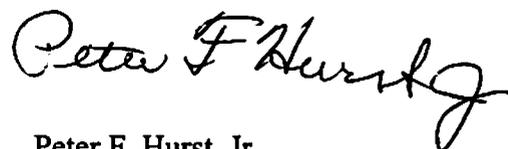
Indeed, the facts show that CDARS differs from traditional brokered deposits in every significant way. CDARS Reciprocal deposits have the characteristics of other core deposits, including: very high reinvestment rates; and money deposited by local customers. The interest rates for CDARS deposits are rarely, if ever, above those paid by other local banks in the local market. CDARS Reciprocal deposits are simply not "hot money."

I strongly believe that CDARS Reciprocal deposits is an invaluable tool to help TCB and other community banks like us meet the needs of our communities. Absent an explicit and formal exemption, there is a danger that CDARS, and the banks with a public mission that rely on CDARS, will be damaged by the FDIC's broader effort to restrain the use of traditional brokered deposits.

I urge you to exempt CDARS Reciprocal deposits from the definition of brokered deposits in this rule. I also urge the FDIC to support exempting CDARS Reciprocal deposits from the definition of brokered deposits in the FDI Act to eliminate the possibility that CDARS might be swept into future efforts to discourage the use of traditional brokered deposits.

Thank you for your consideration.

Sincerely,



Peter F. Hurst, Jr.  
President and CEO  
The Community's Bank

CC: U.S. Senator Christopher J. Dodd  
448 Russell Building  
Washington, D.C. 20510

U.S. Senator Joseph Lieberman  
706 Hart Office Building  
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Rep. Christopher Shays  
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