



February 4, 2015

David Hanrahan
President and Chief Executive Officer
Capital Bank of New Jersey
175 South Main Road
Vineland, New Jersey 08360

Re: FIL-2-2015, FAQ B6 – Referrals by Professionals Resulting in Brokered Deposits

Dear Mr. Hanrahan:

Thank you for your letter dated January 14, 2015, which followed-up on our conversation held earlier this month. We welcome your comments regarding the referenced Financial Institution Letter, specifically as it relates to our guidance on how the FDIC categorizes deposits related to referrals to a bank by business professionals. As cited in the FIL:

“[Question] B6. Are insurance agents, lawyers, or accountants that refer clients to a bank considered to be deposit brokers?”

Yes. By referring clients to a bank, these persons are facilitating the placement of deposits. Therefore, they are deposit brokers, and the deposits would be brokered.”

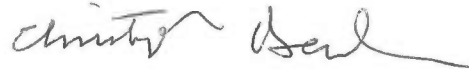
We would like to elaborate on our response to the answer to Question B6. We recognize that within a community, there are many business professionals that conduct banking business with a particular insured financial institution (IDI), and, due to that banking allegiance, often refer their customers to a particular financial institution on an informal basis for deposit products. Those types of informal deposit referrals that are not related to a programmatic arrangement, such as a written agreement or referral fee between the IDI and the business professional, would not be considered brokered. Rather, Question B6 relates to more formal, programmatic arrangements, such as where (1) the professional has entered into a written agreement with the bank for the referral of depositors; or (2) the professional receives fees from the bank. In either of these two cases, the FDIC would consider the professional to have facilitated the placement of deposits in the bank and therefore, the deposits received by the IDI to be brokered.

Again, we appreciated you taking the time to write to us, and hope that this letter clarifies our position regarding referrals to a bank by business professionals. If you have questions, please feel free to contact us.

Sincerely,



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