

TT&L  
051

Handwritten signature and date: "C.D.S." and "9/28/99".

Date: 9/28/99

1000 NAME: Ryne D. Seaman  
2000 E-MAIL: cnb@navix.net  
3000 TITLE: Chief Financial Officer  
4000 ORG: The Cattle National Bank  
5000 ORG TYPE: Financial Institution & Trade Association  
6000 PHONE: (402) 643-3636  
7000 FAX: (402) 643-3099  
8000 COMMENTS: To Whom It May Concern:

This e-mail is in regards to the Treasury's notice of proposed rule changes relating to the computation of interest on Treasury Tax and Loan deposits. Our financial institution has been a note option holder for a number of years and recently (approximately 1 year ago) made arrangements for the special direct investment program. The decision to enroll in the direct investment program was purely rate-driven, as the borrowing cost for the direct investment program was less than what alternative sources of funding were. Looking at a graphical representation over the last five years of the repurchase agreement rate versus Fed Funds minus 25 b.p., it appears that the repurchase agreement rate would have been higher on most occasions. With this in mind, our financial institution is opposed to any adjustment in the formula of the rate that would increase our cost. Furthermore, should the new rate computation methodology be approved we would potentially look to cancel our direct investment program line due to cost reasons. As an aside, our bank would be interested in receiving TT&L advances for a guaranteed term, because it would allow us to better manage our balance sheet by knowing when and how long we would have the advances around; however, please understand that our decision to participate in the note option program is primarily rate-driven.

Respectfully,

Ryne D. Seaman  
Chief Financial Officer