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To: Comments
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Bailing out…with a leaky bucket

While I am pleased to see that alternatives have been sought to counter the initially-imposed suggestion of 20 basis points to shore up a projected shortfall in the FDIC insurance fund, I can't help but feel we are standing on a slippery slope and being pushed. In essence, the strong are being made to pay for the failings of the weak. In some ways, that is the purpose of an insurance policy, and it is understandable that premiums increase commensurate with the claim environment. However, in light of the BILLION$$ that have been funneled into the largest institutions with no regard to the thousands of banks across the country that did not participate in the practices that drove the former to the edge of the cliff, it is at the very least disheartening to learn that chosen course of action is to bilk the remaining profitable institutions, effectively driving many into underperforming territory by fiat.

It's worthy to note, of course, that the 20 basis point levy, now softened to 10 on condition of increased FDIC lending, is on top of the upward adjustment to our FDIC premium already enacted. Backing off of the originally threatened 20 basis points is thus small comfort in light of what appears will be a continued returning to the well of institutions who have managed themselves soundly for the sake and support of those who have not. Simple, earthy principles like "don't throw good money after bad" have made and kept us strong, and it would do the FDIC and others well to adhere to the same types of standards.

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