From: Bill Robinson [mailto:wrobinson@garnavillobank.com]
Sent: Friday, March 27, 2009 11:25 AM
Subject: FDIC Special Assessment

Jeff,

As our local regional supervisor, I wanted to pass on a thought about the increase in assessment that you may be able to pass on to your superiors.

The proposed increases to FDIC assessments will severly hamper earnings for small community banks, the vast majority of which are safe and sound and pose little threat to the fund. Further, most of the community banks have chosen not to participate in the TARP program for a variety of reasons. However, the Treasury allocated enough money in the TARP to provide 3% of risk weighted assets to each of the 8,514 banks in the country.

I propose that Treasury reallocate those unused TARP funds that were rejected by the community banks toward the FDIC insurance fund and eliminate the additional assessments to those banks whose TARP funds were sent to the fund. I know for our own institution, we were eligible for $570,000 in TARP funding. That amount of money would be far more than our special assessment would raise and give an instant boost to the FDIC fund. The special assessments can then apply by FDIC certificate number to those banks who participated in TARP, since they pose the biggest risk to the FDIC fund.

This would help boost the confidence of the consumer in the safety of the banking system by instantly replenishing the fund and assessing those banks which have the systemic risk and pose the greatest risk to the fund's balance and provide the earnings to fund growth by community banks to continue to lend in a prudent manner.

I appreciate your consideration of this idea and encourage you to pass it along to your superiors for their consideration.

William Robinson
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