From: John Hlas [mailto:JohnH@mylsb.com]
Sent: Saturday, March 07, 2009 6:22 PM
To: Comments
Subject: Assessments, RIN 3064-AD35

Dear FDIC,

I'm writing to express my displeasure and disappointment in the unfair special FDIC assessment of our State of Iowa chartered community bank, Lincoln Savings Bank.

Generally, I'd like to emphasize the following points:

- **Community banks are being unfairly penalized.** The vast majority of community banks are well-capitalized, common-sense lenders that have been and want to continue to help in the economic recovery process in cities and towns throughout America. This special assessment will only hinder our ability to do so.
- **The special assessment should be based on total assets (minus tangible capital), not total domestic deposits, so that banks that caused the problems pay a bigger share.** We support broadening the assessment base to include total assets (minus tangible capital). Since large banks hold a proportionately larger share of total banking assets than total domestic deposits, large banks would shoulder more of their fair share of the special assessment if the assessment base was broadened to include total assets.
- **Accounting rules should be changed.** We support a change in the accounting rules to allow banks the opportunity to amortize the special assessment over a period of years.
- **Systemic-risk premium for the large banks.** We support a systemic-risk premium for the large, "systemically important" banks. This premium should be large enough to pay for the substantial risk of insuring these institutions.
- **Failing large banks will have access to TARP money to pay for the premium.** It's unfair that so many of the large banks have received tens of billions of dollars of TARP money and will have the ability to use these taxpayer funds to pay this premium.
- **The FDIC should explore all alternatives for funding the DIF in lieu of the special assessment.** There are many alternatives to funding the DIF in lieu of imposing a special assessment, including using its existing authority to borrow from the Treasury, issuing debt instruments to the public or using its authority to borrow from the banking industry. All of these alternatives should be thoroughly examined with community bank input.

Thanks for your consideration.

Respectfully,

John P Hlas, CIC
Vice President | LSB Financial | Insurance