From: Jack Hartings - Main - President/CEO [mailto:jhartings@pbcbank.com]
Sent: Friday, March 06, 2009 3:06 PM
To: Comments
Subject: Assessments, RIN 3064-AD35

I am asking FDIC to consider a reduction of the special assessment and to calculate the assessment on assets and not deposits. We and other community banks like us are the part of the banking system that is still working and lending. The bottom line is for our bank this last year the FDIC insurance premium was $90,434. This year with the increase in assessments already in our budget we estimated the amount paid to FDIC would be $346,000 with this special assessment of 20 cents ($575,000) it would be over $900,000. That is real money and a 1000% increase over last year. I realized we had some credits stilled in the assessment last year, but the increase is absolutely absurd. We just completed an FDIC examine and EIC complimented our bank's loan portfolio for not containing the sub prime assets, interest only mortgages, option ARMs or other risky loan structures that are quickly deteriorating in our economy. We have played by the rules and have not put the insurance fund in jeopardy with our lending or investing, so why do we have to pay for the sins of the too big to fail banks like Citi, BankAmerica, etc. or others who were allowed by the regulators to expand the past several years with risky loan portfolios. I feel the assessment should be based on <u>Assets</u> and not <u>Deposit</u> to more fairly disperse the assessment and to bring in foreign deposits that are currently not assessed, but covered under TBTF. I think there are other alternatives to FDIC's special assessment such as a higher credit line with the treasury to backstop the current deficient balance in the Deposit Insurance Fund as well as lengthening the time to recapitalize the DIF. We understand that the DIF is under stress, but the proposed 20 basis point fix would accelerate the deterioration in the mortgage market by reducing credit, because the few of us that are still lending would need to slow down lending to shrink our assets to maintain our capital levels until earnings can replenish capital. What would have happened to the banking industry back in the 80's if we were expected to pickup the Savings and Loans losses in just 1 or 2 years. Thanks for considering my comments.

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