
From: David S. Cowles [mailto:David@banksouth.biz]
Sent: Monday, March 09, 2009 4:33 PM
To: Comments
Subject: Assessments, RIN 3064-AD35

March 9, 2009

Robert E. Feldman, Executive Secretary
Attention: Comments, Federal Deposit Insurance Corporation
550 17th St., N.W.
Washington, D.C. 20429

Re: Assessments, RIN3064-AD35

Dear Mr. Feldman,

I am writing on behalf of BankSouth, a community bank located in Central Georgia, serving the needs of the citizens of Greene County, for over 60 years. The special assessment now being considered would have a severe impact on the financial well-being of most small community banks around the country. The direct impact to our earnings would be between 10% and 19% depending on the level assessed.

We would be forced to pass on a portion of the assessment in the form of lower interest rates paid on deposits, which at this time could drive our customers to a higher yielding, but much less secure investment. Also, with less funding as a result, investment in our community could be damaged by less lending ability.

I would also ask that pressure be mounted to change accounting rules so that any assessment levied could be amortized over a period of years.

Community banks have long been the backbone of our country's financial well being, yet we are being penalized by paying assessments that will be more than doubled from last year. Community banks did not participate in the risky practices that led to our economic crisis and continue to be well-capitalized. We stand ready, willing, and able to help in the economic recovery process, but this special assessment would limit our ability to do so.

Let the community banks continue to serve their communities by paying fair rates and lending money for community improvement and reconsider the many alternatives of funding Thanks! Deposit Insurance Fund such as using existing authority to borrow, both from the Treasury and the banking industry, and issuing debt instruments.

Thank-you for your consideration.

Sincerely,
David S. Cowles
SVP and Chief Operating Officer

cc: Senator Saxby Chambliss
Senator Johnny Isakson
Congressman Paul Broun