
From: Kim King [mailto:jkk@bradynationalbank.com]

Sent: Thursday, March 05, 2009 10:28 AM

To: Comments

Subject: FDIC Insurance Special Assessment

Dear FDIC,

As in the 1980's the healthy banks in our country will be responsible for refunding the FDIC fund as a result of a fairly sudden and extensive number of bank failures. I understand that the fund must be maintained at a certain level to maintain the financial integrity of the FDIC and it benefits banks for that to be accomplished. It seems your decision is based on budgets and projections without much consideration for the impact on the very resources of replenishing the fund, the banks. I believe most bankers understand the importance of the FDIC and know that the banking industry benefits from a viable FDIC. I am a proponent of a sound FDIC and I believe there are many others that feel the same. It seems irrational to try and be punitive in the plan to build the fund back to an acceptable level. You can not afford to absorb too many loses at once and banks can not afford to make up the deficit all at once but we can replenish the fund over time and not undermine the banks stability in a turbulent time. If you understand the profit models of banks, you should know that over the proper time frame banks will restore the fund balance to acceptable levels and beyond. The FDIC should consider breaking the special assessment in two equal parts at the minimum of 6 month intervals one on 2009 and another in 2010. This allows the banks time to build in accruals and have less impact on earnings and capital. You will have to manage the rate of bank failures which we all know can be accomplished.

This makes sense and would be easier to make happen in the current economic climate.

Thank you for communicating the message and consideration for a more acceptable method to raise the fund balance.

Kim King