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**From:** Sue Diercks [mailto:sdiercks@frontiersb.com]  
**Sent:** Thursday, March 05, 2009 9:37 AM  
**To:** Comments  
**Subject:** FDIC insurance premium increases

To all whom this concerns,

I would like to express my extreme displeasure with the recent premium increase and, most importantly, the special assessment that is proposed to be levied against banks in 2009. Our insurance premiums were already increased last fall. If this needs to be done periodically to replenish the fund after losses occurring during the normal course of business, that's one thing. I understand we all have to do our part. However, I believe it is extremely unfair to make all other banks in the country pay for the sins of the banks that showed a lack of, and in some cases total disregard for, good business sense. The majority of the banks that are in trouble today are in that position because they took higher risks in return for the almighty dollar.

From the day we opened, our bank has adhered to safe and sound banking practices. We have been conservative in our lending standards, as well as our investments and other areas. In this time of upheaval, we have not had to "tighten" our standards, because they have been high all along.

The additional increase in premium announced last week, along with the special 20-basis point assessment, will be equal to a full **42%** of our **net profit** last year! Community banks that have already had their interest margins squeezed because of economic conditions will have their earnings and possibly capital reduced to nothing and some will be closed, taxing the FDIC insurance fund even more. The only way to avoid a major hit to earnings will be to lower rates and discourage customer deposits ... because we can't afford them. That will be detrimental to customers, and the bank's liquidity as well.

Should the banks that have done everything right really have to pay so dearly for the sins of the others? There has to be a better solution.

Respectfully,  
Susan C. Diercks  
Vice President

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