

To: Comments  
Subject: Opposition to RIN 3064-AD35:  
Proposed FDIC Special Assessment pursuant to  
12 CFR Part 327

March 30, 2009

Federal Deposit Insurance Corporation  
550 17th Street, NW  
Washington, DC 20429

Dear Sir:

Thank you for allowing our bank and others to comment on the FDIC's interim rule concerning a special assessment of 20 basis points to be implemented in 2009. We both are committed to seeing that there exists a strong and viable banking industry in our nation

Our bank is quite concerned about this assessment issue and we believe it will have a negative effect, not only for us, but for a majority of community banks nationwide. As you are certainly aware, we are wrestling with a deep recession and some accounting regulations that enhance losses. While our capital levels are more than adequate for the current time, we also must be acutely aware of any situation that would reduce those levels. Additionally, we must deal with regulatory oversight that classifies assets while they continue to perform, as well as an increasing regular quarterly FDIC premium. Any one of these issues is significant in our eyes, but when faced with them in total, is an extreme burden.

Our institution never participated in the subprime loan market, nor did we purchase securities that were backed by such collateral. We have attempted to serve our communities with traditional banking products and operate our bank to enhance shareholder value. We do this within the parameters of federal and state regulatory guidelines. It now appears that for those of us who have operated our bank in a responsible way; we are now being penalized for actions of other banks that may not have followed sound business plans.

The special assessment is completely averse with our strategic plan which focuses on our service to our local communities. Our ability to attract new deposits will be made more difficult and decreasing deposits will adversely relate to our ability to make loans. Decreased earning will make it more difficult to build capital when it is critically needed. We are already lowering other expenses, which will diminish our ability to support local community activities. It seems unfair and particularly burdensome for a bank like ours that has operated successfully without undue risks. The assessment will make it very difficult for our bank to successfully participate in our economic recovery in the future

We ask the FDIC to reconsider alternatives that would reduce our burden and yet still accomplish your goals for shoring up the insurance fund.

Sincerely,

John Neville  
Director and CEO  
State Bank & Trust Company  
Greenwood, MS