Commerce Bancshares, Inc.

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A. BAYARD CLARK
Executive Vice President

April 2, 2009

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

RE: RIN 3064-AD35; Interim Rule on Assessments; 12 CFR Part 327; 74 Federal Register 9338, March 3, 2009

Mr. Feldman:

We appreciate the opportunity to comment on the FDIC's interim rule that would impose a special assessment of an additional 10 basis points in the second quarter. We have serious concerns about this proposal, but first wanted to emphasize that we fully support the view of the FDIC that we need a strong, financially secure fund in order to maintain the confidence depositors have in the system. However, how this is done and how it is maintained going forward is very important to our bank and the communities we serve. To that end, we suggest maintaining a firewall between funding for deposit insurance guarantees and funding for any other purpose assigned to the FDIC such as recently introduced legislation for debt guarantee administration or legacy loan administration. To do otherwise may endanger our ability to maintain the confidence of the Banking Industry's most important customer, our depositor. We realize in the short run that will mean the Deposit Insurance Fund (DIF) will need to rely on deposit assessments rather than on funds harvested from the Debt Guarantee Program or from the new Legacy Loan Program. However, this purity of purpose will serve us well in future periods of financial downturn. If we review our recent history, we will recognize that we avoided the chaotic banking scenes of the 1920's and 1930's by being able to assure the average depositor their money was safe.

With regard to the DIF replenishment we agree with actions we understand are already in progress to expand the borrowing capacity of the FDIC to $100 billion. The Banking Industry will be able to repay the Treasury as it did after the Savings and Loan Bailout. Here again, our desire is to maintain a distinct borrowing capacity for the DIF versus any other mission that may be assigned to the FDIC.

Regarding the level of the proposed assessment we would recommend a more even-handed approach to replenishment of the Deposit Insurance Fund (DIF). Thus a consistent assessment on a quarterly basis rather than special assessments on top of regular assessments is far preferable from a deposit valuation perspective as well as a bank management standpoint. Additionally, the FDIC should consider expansion of the timeframe to meet the regulatory mandated reserve level of 1.15 % of deposits.

We believe that by making these modifications we can ensure the DIF will remain secure and will allow our Bank to lend in the various communities we serve. We urge you to take these suggestions into consideration when the Board meets to finalize the quarterly assessment.

Again, thank you for the opportunity to comment on the proposed increase in assessment.

Best Regards,

A. Bayard Clark

A. Bayard Clark
Chief Financial Officer
Executive Vice President
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