

March 28th, 2009

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

RE: Assessments, RIN 3064-AD35

Dear Mr. Feldman:

I would like to take this opportunity to give you a little bit of information on our bank, Integrity Bank SSB, here in Houston, TX. The idea for this bank began only two years ago and we opened for business on November 19, 2007. On that date, we had \$30 million in capital and approximately 180 shareholders. To date, we have grown to \$130 million in assets, with loans and deposits of \$96MM and \$102MM respectively. We have seen this steady growth because everything that we have done has been well thought out and reviewed by the various regulatory agencies.

According to our original business plan, we expected to show a bottom line profit around our eighteenth month of operations which equates to June of 2009. At this point, we are running smoothly and feel that we have an excellent chance to meet our goals. Then, along came a 20 bps "Special Assessment" and a 250% increase in the current FDIC Insurance rates.

In 2008, our bank paid a total of \$14K in FDIC insurance premiums. Factoring in our growth, we should have expected that to increase to approximately \$65K in 2009. We realized this and budgeted accordingly for 2009. Due to the gross negligence of some of our peers, we now realize that it will be virtually impossible to show a profit of any kind in 2009. Keep in mind that we were not even open for business when the current mess began.

Well run community banks all across this country are in the same situation as Integrity Bank. We are typically the banks that take care of the communities in which we operate. We donate our time and money to our communities and use our deposits to assist the business owners who need loans. We are not the segment of banking that created this current crisis and I feel that we should not be required to shoulder the brunt of the load in cleaning it up.

Integrity Bank realizes that all banks are facing difficult times and I propose the following:

- Existing and special assessments should be based upon assets, with an adjustment for capital, not total domestic deposits. The large banks would rightfully be responsible for the risk and negligent behavior. An asset based assessment would also ensure that foreign banks making

income producing loans in the United States with deposits garnered outside our borders would pay accordingly.

- NO ADDITIONAL ASSESSMENTS for a De Novo bank's first 3 years of existence. This would allow a start up bank to maintain its business plan.
- Utilize its existing authority with the Treasury to borrow additional funds for the DIF, thereby repaying the obligation overtime with a debt instrument.
- If additional assessments are imposed, a "Systemic-risk" premium should be considered. These premiums would allow for systemically important large banks to cover the risk of these "Too big to fail banks" that have created this catastrophic occurrence.
- Allow for any additional ongoing FDIC special premiums to be amortized over several years.

If our insurance costs increase according to the current proposals, these increases somehow must be absorbed by our bank customers through decreases in our depository interest account rates, balance decreases or increases in the interest rates on loans. Any of these measures would shrivel the net interest margins tighter than they have been in years. Both of these options are detrimental and disadvantageous to the growth and survival. Integrity Bank and the thousands of other independent community banks have not participated in risky loan practices to warrant these onerous special assessments at a time when we can and are trying to help our community businesses survive.

The banking industry has always been the driving force in the economic success of the United States. More importantly, the small businesses that employ a large majority of the population of this country rely, not on "too big to fail banks", but on community banks whose shareholders live in those communities. They understand what undue risk means to their investment and community and success.

Sincerely,

James M. McElray
Executive Vice President & Chief Financial Officer
Director and Shareholder
Integrity Bank,ssb