

April 2, 2009

Robert E. Feldman
Executive Secretary
ATTENTION: Comments
FDIC
550 17th Street, NW
Washington, DC 20429

Dear Mr. Feldman

I would appreciate your consideration on the following points regarding the proposed special FDIC assessment which will end up costing our bank substantial dollars.

- I fully support the need for a strong, financially secure deposit insurance fund in order to maintain depositor confidence in the banking system, but I have serious concerns about the proposed assessment,
- The proposed special assessment is a significant and unexpected cost to my bank that will adversely impact our earnings and the increased assessments are coming at a time when our financial institution industry can least afford them.
- I feel that the proposed costs are so high that they would serve as a disincentive to raise new deposits, thereby restricting our ability to retain necessary capital for increased lending activities and will also restrict our ability to spur further economic expansion in our community.
- With the increased assessments comes the need to lower the cost of other expenses. This may limit our ability to sponsor community activities or make charitable donations, which are a vital component of the viability of our local community. These donations, not only help our local community projects, but also our area schools and the children that attend them.
- Given the significant impact of the proposed assessment on my bank and my community, please consider more reasonable funding options, such as:
 - reducing the special assessment and spreading the cost of it over a longer period of time;
 - using a convertible debt option, whereby the FDIC can convert debt borrowed from the banking industry into capital to offset losses if it needs the funds which would allow the expense to be written off only when the funds are actually needed.
- I appreciate the FDIC proposing to expand its borrowing authority with the Treasury and to use revenues from the Temporary Liquidity Guarantee Program that will provide needed funding resources in the short-term and reduce the level of the special assessment. Repayment of the funds would remain an obligation of the banking industry,



but could be paid back over a longer period of time. I have expressed my support of S. 541 to members of the Nebraska Congressional delegation to allow the reduced assessment to move forward.

- I feel that modifications to the proposed assessment level will ensure that the deposit insurance fund remains secure and will also allow my bank to continue to lend in our local communities.

I appreciate you taking the time to read this letter and thank you in advance for your consideration. If you have any questions and/or comments please do not hesitate to call me at 402-821-3535.

Sincerely,



Thomas G. Damkroger
CEO
First State Bank

TGD/dep