Georgian Bank

April 2, 2009

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

Re: RIN 3064-AD35 - Assessments

Dear Mr. Feldman:

We are pleased to submit Georgian Bank's comments on the Federal Deposit Insurance Corporation's interim rule to impose a 20 basis point emergency special assessment. Georgian Bank is the second largest bank headquartered in Atlanta, Georgia. We are a full service institution with over $2 billion in assets and five banking offices. While the financial services industry is undergoing historic changes, Georgian Bank continues to march forward in an intelligent business-like manner executing its business plan.

In response to the FDIC's specific request for comment on the assignment of assessments to weaker institutions, we do not believe that weaker institutions, those with CAMELS ratings of 4 or 5 and those that are or will be less than well-capitalized, should be exempted from the special assessment. To consider an exemption for weak institutions is equivalent to creating moral hazard by allowing banks to operate without regard to sound banking practices and furthermore provides no incentive for improved bank operating performance since strength would be penalized.

In response to the FDIC's specific request for comment on the use of a base other than the regular risk-based assessment base, we would propose that the FDIC consider assessing the special premium on the pool of financial institutions that have received Federal government assistance. More so, we believe that FDIC assessments should take into account the assistance being provided to systemically important institutions. By giving and accepting the assistance, the Federal government and these institutions have signaled to the banking consumer and investing public that these institutions will not be allowed to fail. As a result, we believe that these institutions have an obligation to help with bank industry consumer and investor confidence in general by bearing a larger portion of the burden to replenish the Deposit Insurance Fund. Smaller banks that might have been able to survive the present economic downturn are experiencing liquidity stresses as customers leave to bank with institutions that are "too big to fail". We believe

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the emergency special assessment is fundamentally unfair because smaller banks would be forced to absorb a disproportionate share of the cost to protect the banking system from mistakes made, often, by larger systemically important institutions. Additionally, we believe that the FDIC should consider the merits of assessing a systemic risk premium on banks that pose extraordinary risks. We also believe that all of a bank's assets (minus capital) should be assessed so that a bank pays premiums on all the risks it imposes. If the special assessment must be collected, we would propose that the period over which the expense is recognized be extended to reduce the immediate stress on bank capital.

In conclusion, we believe that the special assessment, as presently proposed will be detrimental to a large portion of America's banking population that is working through their own issues, some self imposed, but most a function of actions by and views of the large systematically important banks.

Thank you for this opportunity to comment.

Sincerely,

Sharri T. French
Senior Vice President
Balance Sheet Manager

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