From: Susan Ramsey Wilson [mailto:sramseywilson@alltel.net]
Sent: Thursday, April 02, 2009 5:32 PM
To: Comments
Subject: Assessments, RIN 3064-AD35

Susan Ramsey Wilson
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April 2, 2009

Comments to FDIC

Dear Comments to FDIC:

As an advisory board member of a local bank and a former employee of a bank, I am appaled that the FDIC Board has proposed to impose a special assessment on all insured institutions as of June 30, 2009. Whether the special assessment is 10 or 20 basis points, this assessment, when combined with our bank's regular 2009 assessment, will be detrimental to our earnings and capital and will have an adverse effect on our ability to lend money and serve our community.

Unfortunately, I believe that community banks are being unfairly penalized with this assessment. Community banks did not participate in the risky practices that led to the current economic crisis, yet it seems that they are being tossed in with all of the other banks and being penalized. If this measure goes through, it will be an additional penalty on top of regular assessments that are already more than twice last year's assessments.

The community banking industry is one of the very few bright spots in today's economic storm. The vast majority of community banks are well-capitalized, common-sense lenders that want to help in the economic recovery process in cities and towns throughout America. This special assessment will only hinder our ability to do so by reducing our ability to lend.

I strongly urge the FDIC to explore all alternatives for funding the Deposit Insurance Fund in lieu of the proposed special assessment. Looking forward, I believe that assessments should be based on total bank assets (minus tangible capital) of an insured institute - not solely on its domestic deposits. This change would level the playing field between community banks and the larger banks (many of which bear responsibility for the demise of the system). The assets a bank holds is a more accurate representation of its risk than the banks deposits. After all, it is not the deposits that cause banks to fail, it is, rather, the poor quality of its assets. Basing assessments on total assets will put larger banks in a position to share the burden of the special assessment in a more equitable way since they hold a proportionately larger share of banking assets and often have a greater risk of failure.

If the special assessment is pushed through, the FDIC should support a change in the accounting rules to allow banks the opportunity to amortize the special assessment over a period of years. If the banks could amortize the special assessment over several years, for instance, this would significantly reduce its impact.

In addition, the FDIC and Congress should support a systemic-risk premium for the large, "systemically important" banks. This premium should be large enough to pay for the substantial risk of insuring these "too-big-to fail" institutions.

Again, I urge FDIC to explore all alternatives for funding the DIF in lieu of the special assessment. The community banks in this country did not cause this crisis but yet they will pay a hefty price if this special assessment is imposed.

Sincerely,

Susan Ramsey Wilson
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