

From: Jeff Newgard [mailto:jnewgard@yakimanationalbank.com]
Sent: Thursday, April 02, 2009 7:59 PM
To: Comments
Subject: Assessments, RIN 3064-AD35

Mr. Feldman:

Please accept this e-mail as Yakima National Bank's opposition to the special assessment whether it is 20bps or 10bps. The impact is estimated at \$65,000 to \$170,000. The assessment would have a dramatic hit to earnings and capital during a very difficult economic time when regulators are watching our liquidity and capital levels with a heightened and critical eye. The assessment would challenge our stability. Our bank is a \$100Million asset size with 26 employees, serving the small business community in our valley. We have good credit quality and good ratings with the OCC. We were not involved in any speculation or subprime lending. We did not cause this downturn and are disgusted that we should need to pay for those that were not as prudent. We want to remain viable and continue to serve the lending needs of our community. In order to prepare for this assessment we chose to postpone loan loss reserve contributions in place of contributing to a special assessment reserve. This is not good for the bank's viability or stability going forward.

As an alternative, it is recommended that the assessment be allocated over a longer period of time so that the hit is not felt so dramatically in this fiscal year. Further, it would be best to ask the bigger banks with more systemic risk to our economy and industry to pay a greater share. Many of these banks are the ones that took the TARP and we did not. We instead must use our precious liquidity and capital to fund this assessment.

Please consider these issues when making your decision. However, our community banking community *desperately* depends on a decrease in impact of this special assessment.

Thank you.

Jeff Newgard
President and CEO
Yakima National Bank