From: Gail McGraw [mailto:gailm@tcnbank.com]
Sent: Tuesday, March 31, 2009 2:12 PM
To: Comments
Subject: FDIC SPECIAL ASSESSMENT

TOWN-COUNTRY NATIONAL BANK
118 BROAD STREET
CAMDEN, ALABAMA 36726

March 31, 2009

Mr. Robert E. Feldman
Executive Secretary
Attn: Comments
Federal Deposit Insurance Corporation
550 17th Street N.W.
Washington, D.C. 20429

Via email: comments@fdic.gov

File Reference: **Assessments, RIN 3064-AD35**

Dear Mr. Feldman:

FDIC Special Assessment – 20-Basis Points?
10-Basis Points?
On top of FICO 1.2 basis points – That doesn't pay out to 2012?

All of this on top of increase in the normal assessment?

Community Banks are being unfairly penalized!

We are paying our own insurance premiums, being forced to pay approximately ½ of the S&L bailout through the FICO assessment and now being asked to pay a 10-20 basis point special assessment to reimburse the fund for the losses it has incurred due mostly to loss from the "Too Big to Fail" banks, but also from the "Too Small to Save". Merrill Lynch brought in a huge deposit base, yet paid a one time assessment and was allowed to become fully insured – other large banks chartered were allowed to do similarly, where as Community Banks have paid on their deposit base for years. Also "Too Big to Fail" banks have large foreign deposits that are insured, but that they are not required to pay any premiums on them. They should be made to pay premiums on those deposits. Base the assessment on assets less tangible capital, not domestic deposits, so large banks will be paying their fair share. FDIC should be required to levy a systemic risk premium on “Too Big to Fail Banks” based on their increased risk to the system.

Using our [$84 million] assets bank as an example, even with above the norm ratings on safety and soundness our assessment will increase from [$97,000] a year to approximately [$175,000], quite an increase.

In the past our bank has pretty much ignored the assessment factor in the interest rate and service charges levied on our customers. Due to the economy and the pressure on retained earnings we will have to pass the assessment charge through to our customers. This additional cost could cause the consumer to think longer and harder about borrowing.

Because of pressure on retained earnings any “special” assessment should be allowed to be amortized over a period of years.

In closing, I urge FDIC to explore all alternatives for funding the DIF in lieu of the special assessment. Community Banks in this country did not cause this crisis, but they are set up to pay a hefty price if this special assessment is imposed.

Thank you for this opportunity to speak to you on this subject.

Sincerely,

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