CLEARFIELD BANK
&
TRUST COMPANY

MAIN OFFICE 11 N. Second Street PO Box 171 Clearfield, PA 16830 T (814) 765-7551 F (814) 765-2943

March 25, 2009

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

RE: Interim Rule on Assessments RIN 3064-AD35

Dear Mr. Feldman:

As a community banker, I am deeply disappointed by the FDIC Board's proposal 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. We are a Risk Category 1 institution but our assessment has risen markedly since 2007. Below is a chart showing the impact this special assessment will have on Clearfield Bank and Trust Company:

	2007	2008	Budget 2009	Special Assessment 2009
Total Deposits	300,290	292,718	300,000	300,000
FDIC Assessment	38	232	412	1,012
Net Income	1,512	1,831	2,011	1,615

Within a span of only two years, our FDIC premium would increase 2,563 %.

Community banks are being unfairly penalized with this assessment. We didn't participate in the risky practices that led to the economic crisis, yet we are being penalized with this onerous special assessment on top of regular assessments that are more than double those of last year. The community banking industry is the bright spot in this current economic storm. The vast majority of community banks are well-capitalized, common-sense lenders that want to help in the economic recovery process in the cities and towns throughout America. This special assessment will only hinder our ability to do so by reducing our ability to lend.

I strongly encourage the FDIC to explore all alternatives for funding the Deposit Insurance Fund in lieu of the special assessment including using its existing authority to borrow from the Treasury, issuing debt instruments to the public or using its authority to borrow from the banking industry. The DIF would still be industry-funded if the FDIC used its borrowing authority, but the industry would be able to pay the cost of recapitalizing the DIF over time.

If the FDIC proceeds with imposing this special assessment, I urge the following:

- The special assessment and all future assessment should be based on total assets (minus tangible capital) of an insured institution, not its total domestic deposits, so that banks that caused the problems pay a bigger share.
- 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.
- 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 "to-big-to-fail" institutions.

Again, I urge the FDIC to explore all alternatives for funding the DIF in lieu of the special assessment.

Sincerely,

W E Wood

William Wood
Chairman, President & CEO
Clearfield Bank & Trust Co.