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March 25, 2009

Robert E. Feldman, Executive Secretary
Attention Comments
Federal Deposit Insurance Corporation
550 17th Street.N.W.
Washington DC 20429

Re RIN 3064-AD35

Dear Mr. Feldman:

This letter is being forward to encourage the Federal Deposit Insurance Corporation (FDIC) to delay implementing and imposing a special assessment on community banks. This assessment will hinder the overall economic recovery. The problems were not caused by community banks that didn't participate in risky practices but by sub-prime loans , financial derivatives and off-balance sheet activities of larger institutions.

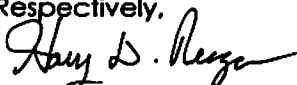
The banking industry and the overall economy is in an economic mess which can be resolved with patience and restraint by the FDIC. Much of the economic mess was fueled by various regulatory authorities passing legislation without considering the consequences of taking such actions. The best example is when SEC adopted the Mark to Market accounting rule which required unnecessary significant write down of assets that kept snowballing and placed a significant burden on banks capital and earnings.

We understand the FDIC wanting to restore the insurance fund, however, implementing the special assessment in the second quarter can be more disastrous than the illness:

1. Will result in some banks having to liquidate which could place a greater strain on the insurance fund.
2. Will result in reduction of earnings & capital.
3. Will reduce funds community banks have available for lending and community development .
4. Will cost the taxpayers as most of the too big-to -fail banks will pay for assessment through TARP funds.

It is suggested the FDIC consider borrowing funds from the Treasury and place a special assessment on the larger banks that have the risky assets to relieve the undue burden on community banks.

Respectively,


Harry D. Reagan
Director- Parkvale Bank