



**PremierWest**

**BANK**

*People doing business with people.*

March 16, 2009

Robert Feldman, Executive Secretary  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429

Dear Mr. Feldman,

PremierWest Bank appreciates the opportunity to comment on the FDIC's interim rule that would impose a special assessment of 10 basis points in the second quarter of this year. We have serious concerns about this proposal, but first wanted to emphasize that we fully support the view of the FDIC that we need a strong, financial secure fund in order to maintain depositor's confidence. However, how this is done is very important to PremierWest and the communities we serve.

The special assessment is a significant and unexpected cost to PremierWest and to all community banks in California that will have a severe impact on earnings. We are already dealing with a deepening recession, accounting rules that overstate economic losses and unfairly reduce capital, regulatory pressure relative to loan portfolios, and a significant increase in regular quarterly FDIC premiums. Each is a big challenge on its own – but collectively, they are a significant burden for community banks.

The special assessment is completely at odds with our bank's efforts to help our communities rebuild from this economic downturn. We will be forced to look at ways to lower other expenses, which may limit our ability to sponsor community activities or make charitable donations; something we have done year after year.

We urge you to consider alternative and more reasonable funding options, such as reducing the special assessment and spreading the cost of it over a long period of time.

Making these modifications will ensure the security of the fund and will allow our bank to continue to lend in our communities and support organizations in need of our help. We urge that these suggestions be taken into consideration when the FDIC board meets in April to finalize the special assessment rule.

Thank you for your consideration.

Sincerely,

James M. Ford  
President and CEO  
PremierWest Bank