


LIBERTY
BANK

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

AGENCY: Federal Deposit Insurance Corporation

RIN: 3064-AD35

March 30, 2009

Dear Mr. Feldman:

The officers, directors and staff of Liberty Bank appreciate the opportunity to comment on the FDIC's interim rule that would impose a special assessment of 20 basis points in the second quarter.

Liberty Bank is a \$3 billion mutual bank headquartered in Connecticut. It was incorporated in 1825 and holds the 10th oldest bank charter in the United States. The Bank's tier one leverage capital ratio is nearly 15%.

We support the view that the FDIC needs to remain strong in order to maintain depositor confidence in the country's banking system. However, we have serious concerns about this proposal.

The proposed special assessment is a significant and unexpected cost to our bank. We are already coping with a deepening recession, accounting rules that overstate economic losses and unfairly reduce capital, regulatory pressure to classify assets that continue to perform and a significant increase in regular quarterly FDIC premiums. Each of these issues is a considerable challenge; collectively, they are significant.

Liberty Bank has served its communities in a responsible manner since 1825. Liberty did not contribute to the sub-prime crisis nor did it purchase private-label mortgage-backed securities. This proposed special assessment of 20 basis points is an unfair penalty and burden to a healthy institution like Liberty Bank and will harm our effort to assist our communities during this difficult period. This assessment is essentially a disincentive to raise new deposits. Effectively, fewer deposits will result in fewer loans.

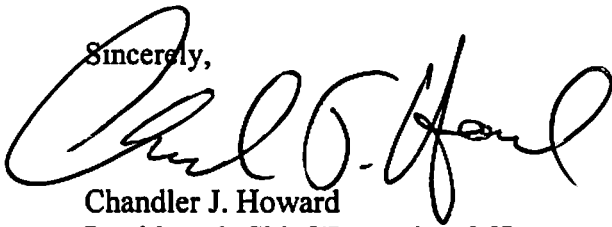
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Our bank and others like it will be forced to reduce other expenses to help off-set this increase. This may include staff reductions, community sponsored events and charitable donations. The implications for this significant FDIC charge will impact every corner of our communities.

We strongly urge you to consider more reasonable funding options.

Sincerely,



Chandler J. Howard
President & Chief Executive Officer



Thomas J. Pastorello
Chief Financial Officer