HOME SAVINGS BANK

March 26, 2009

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

Attention: Comments RIN 3064-AD35

Dear Mr. Feldman:

On behalf of Home Savings Bank please receive this letter of comment regarding the recently purposed FDIC special assessment of 20 basis points to all insured financial institutions.

Home Savings Bank is a well capitalized Federal chartered mutual thrift, located in southeast Kansas, chartered in 1886, with $54 million in assets. Throughout our history we have never before experienced the depth or breath of the crisis that is now affecting our national economy which in turn is adversely affecting our bank as never before. The need of the deposit insurance fund is immediate and the 20 basis points special assessment levied on all FDIC insured is an option. There is no doubt the risk-based assessment due April 1, 2009 and an additional 20 basis points special assessment, currently being touted as the solution, could very possibly further weaken FDIC member banks. If the emergency assessment does in fact create sufficient stress on a large number of individual banks this in turn also affects their ability to provide the required funding to the recapitalization effort and remain healthy.

There are three other options available to FDIC. One, FDIC could revisit the option to draw on the FDIC's existing line of credit with Treasury. This option holds creditability as it could be accomplished in a multi-step draw process determined by the fund balance on an "as needed" basis. Two, FDIC could share the burden with the insured banks and levy a special assessment at a significant lower rate and by combining that with a draw on their line of credit with Treasury. This approach results in a recapitalized insurance fund without the full burden levied on the Banks. Lastly, FDIC could consider issuing long term bonds back by the FDIC, similar to the bonds issued during the savings and loan crisis and successfully repaid over time. This solution would lessen the adverse initial impact of a large 20 basis point assessment that could adversely affect individual banks within an already weakened industry.

It is imperative that our nation's banking system remain strong and that requires the FDIC insurance fund to remain solvent. Whatever the solution it must not become a part of the problem and create further deterioration to FDIC member banks. However this is accomplished it will require cooperation, thought, ingenuity, and the integrity of Congress, US Treasury, FDIC, and member banks.

Sincerely,

J. Michael Reid
President

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