From: David Bakerian [mailto:david.bakerian@debankers.com]
Sent: Friday, March 13, 2009 2:01 PM
To: Comments
Subject: Opposition to RIN 3064-AD35: Proposed FDIC Special Assessment pursuant to 12 CFR Part 327

David Bakerian
President
Delaware Bankers Association
PO Box 781
Dover, DE 19903-0781

March 13, 2009

Robert E. Feldman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Dear Robert Feldman:

I am writing on behalf of the 38 member banks of the Delaware Bankers Association and their approximately 25,000 employees.We 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.

We are already dealing 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 is a big challenge on its own - but collectively, they pose a severe strain on our banking system.

The cost is so high that it is a disincentive to raise new deposits. Fewer deposits will hinder our ability to lend.And, the reduction in earnings will make it harder to build capital when it is needed the most.

It must also be noted that we will be forced to look at ways to lower the cost of other expenses, which may limit our ability to sponsor community activities or make charitable donations - something that we have done year after year here in Delaware.

We urge you to consider more reasonable funding options, such as;
-Reduce the special assessment and spread the cost of it over a long period of time. The FDIC should spread out the recapitalization of the fund over a longer timeframe as well; -Use a convertible debt option, whereby the FDIC could convert debt borrowed from the banking industry into capital to offset losses if it needs the funds. This would allow me to write off the expense only when the funds are actually needed; and,
-Use the FDIC's borrowing authority with Treasury if the fund needs resources in the short-run. This is the purpose of this fund and it

remains an obligation of the banking industry. Moreover, it allows any cost to be spread over a long period of time.

Making these modifications will ensure that the fund remains secure and will allow our banks to continue to lend in our community. I urge you to take these suggestions into consideration when the Board meets in April to finalize the special assessment rule.

Sincerely,

David G. Bakerian
302-678-8600
President
Delaware Bankers Association