



March 9, 2009

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

Dear Mr. Feldman:

Please be advised that we strongly urge the FDIC to refrain from leveling the emergency 20 basis point assessment on all banks insured by the FDIC. This same recommendation is extended also in the event the FDIC chooses to make this emergency fund assessment at 10 basis points. This 20 basis point assessment has the potential for a \$27 billion hit to the capitalization of banks in the United States. This hit will happen at a time when banks in general need to build their capital ratios and also continue to have loanable funds available for serving the needs of the communities that they serve. When the economy recovers from its present depressed level, the time will be right for the FDIC to rebuild its funding level to its required percentage by assessments spread over a period of years.

The 20 basis point assessment would cost our bank \$353,000 based on the December 31, 2008 deposit level. The 10 basis point assessment would therefore amount to \$176,500. The reduction in earnings will make it harder to build capital when it is needed the most. We will also be forced to look at more ways to lower the cost of other expenses, which may limit our ability to sponsor community activities or make charitable donations, which is something that we have done year after year. A flat rate assessment for our bank that has not made subprime loans and has served our communities in a responsible way for years and years is an unfair penalty.

It would be prudent at this time for the FDIC to tap the Treasury line of credit. A request to the Congress to appropriate funds to help cover losses incurred by the FDIC currently would also be a very positive step to take. Banks can then repay these funds as the business cycle warrants, and this procedure then gives time for an appropriate assessment by the FDIC which can be spread over a period of several years.

Thank you for considering the contents of this letter.

Cordially yours,

R. Thornwell Dunlap, Jr.  
Chairman

Annette L. Huskey  
Chief Financial Officer

CC: Senator Jim DeMint  
Senator Lindsey Graham  
Representative J. Gresham Barrett  
Lloyd Hendrix