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March 12, 2009

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

Dear Mr. Feldman:

On behalf of Monroe Bank & Trust, I am writing to offer our comments on the FDIC's Interim Rule that would impose a special assessment in the second quarter of 2009.

We applaud the announced plans for possible changes to the special assessments that would use an increase in the line of credit from the U.S. Treasury to allow the immediate assessment to be reduced by half.

In brief, we strongly encourage the FDIC to reconsider and revise the planned assessment of 20 basis points on all bank deposits. Even with the proposed reduction of this assessment to 10 basis points, this immediate cost will have an enormous impact upon our bank, as well as others. We calculate that this assessment would total more than half of our entire earnings for 2008, which would severely limit our ability to retain much needed capital. We have remained profitable during a time where local jobs continue to erode. Unemployment in Monroe County Michigan now exceeds 12%. In spite of this, we remain well capitalized through effective balance sheet management and dividend reductions. However, this assessment severely punishes those of us that have adhered to prudent management practices, and hinders our ability to address these challenges. In light of this, we would like to offer the following comments:

- 1) We strongly agree the integrity of the Deposit Insurance Fund must be maintained, and remain funded solely by the banking industry.
- 2) The payments for the special assessment must be spread over a longer cycle. Mechanisms to allow banks to spread these costs over several years are needed. We encourage further examination of the industry bonding mechanisms discussed during the FDIC's conference call with members of the ABA on March 2nd.
- 3) We encourage consideration of differing levels of assessments for banks that have long supported the DIF through their premium payments and those that only recently brought enormous deposits into the fund for coverage without having contributed to the fund balances. These entities should be assessed at substantially higher rates than those who helped build the fund. Utilizing an alternative basis for the assessment such as total assets

rather than domestic deposits would help to mitigate this issue. A variety of alternatives should be considered in order to protect community banks such as ours from unwarranted burdens.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "H. Douglas Chaffin". The signature is fluid and cursive, with the first name "H." being particularly prominent.

H. Douglas Chaffin  
President & CEO

HDC:bss