From: Crowley, Johnny [mailto:Johnny.Crowley@ANB.com]
Sent: Monday, March 16, 2009 10:38 AM
To: Comments
Subject: Assessments - Interim Rule - RIN 3064-AD35

The email is to express my outrage at the 20-basis-point special assessment on all domestic deposits as of June 30, 2009. Our bank's FDIC insurance premium will increase from just over $200,000 in 2008 to over $8,000,000 for 2009 under this scheme! **This represents a 4,000% increase for 2009 - which is confiscatory!**

This increased premium reduces our bank's lending ability which, in turn, impairs our ability to help foster economic recovery in our community and this assessment will further exacerbate the current economic downturn.

Community banks are being unfairly penalized. Our bank didn't participate in the risky practices that led to the economic crisis, yet we are being penalized by having to pay this onerous special assessment on top of regular assessments that are more than double those of last year. The community banking industry is the bright spot in this current economic storm. The vast majority of community banks are well-capitalized, common-sense lenders that have been and want to continue to help in the economic recovery process in cities and towns throughout America. This special assessment will only hinder our ability to do so.

The FDIC should explore all alternatives for funding the DIF in lieu of the special assessment. There are many alternatives to funding the DIF in lieu of imposing a special assessment, including using its existing authority to borrow from the Treasury, issuing debt instruments to the public or using its authority to borrow from the banking industry. The DIF would still be industry-funded if the FDIC used its borrowing authority, but the industry would be able to pay the cost of recapitalizing the DIF over time. All of these alternatives should be thoroughly examined with community bank input.

Any special assessment should be based on total assets (minus tangible capital), not total domestic deposits, so that banks that caused the problems pay a bigger share. In the case of a 20-basis-point special assessment, it is estimated that if the assessment base was broadened to total assets (minus tangible capital), the same amount of revenue could be generated for the Deposit Insurance Fund by assessing every bank approximately 12 cents per $100 of assets as opposed to 20 cents per $100 of domestic deposits. We support broadening the assessment base to include total assets (minus tangible capital). Since large banks hold a proportionately larger share of total banking assets than total domestic deposits, large banks would shoulder more of their fair share of the special assessment if the assessment base was broadened to include total assets.

Accounting rules should be changed. We support a change in the accounting rules to allow banks the opportunity to amortize the special assessment over a period of years.

We support a systemic-risk premium for the large, "systemically important" banks. This premium should be large enough to pay for the substantial risk of insuring these institutions. You should also consider the assistance provided systemically important institutions in determining the special assessment.

Failing large banks will have access to TARP money to pay for the premium. It's unfair that so many of the large banks have received tens of billions of dollars of TARP money and will have the ability to use these taxpayer funds to pay this premium.

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