

From: Ken Taylor [mailto:ktaylor@bankofthesierra.com]  
Sent: Friday, March 20, 2009 1:35 PM  
To: Comments  
Subject: Proposed Special Assessment; RIN 3064 AD35

Ken Taylor  
86 N. Main St.  
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March 20, 2009

Robert Feldman  
Executive Secretary  
Federal Deposit Insurance Corporation  
550 17th Street NW  
Washington, DC 20429

Dear Robert Feldman:

I am the CFO of Bank of the Sierra, and I am writing in response to the FDIC's proposal to impose an emergency special assessment equal to 20 basis points of insured institutions' assessment base on June 30, 2009, and possibly further special assessments if necessary. At Bank of the Sierra, we understand that these are difficult times and that the deposit insurance fund is being depleted. However, a special assessment of the size proposed, which comes on top of the recent resumption of premiums and assessment increase, would have a significant impact on our bank's 2009 net income. The assessment will make it more difficult for our bank to provide needed credit in our community and to build capital when most needed.

With our bank's estimated deposit assessment base of \$1 billion, we estimate that our 2009 regular and special assessment will be over \$3 million. This compares to about \$300,000 paid in 2008. To put this in perspective, our 2009 assessment, as proposed, would amount to close to 20% of our bank's 2008 pre-tax earnings. Also, we estimate that our 2009 assessment would have a negative impact on our capital ratios at the end of 2009 of over 20 basis points.

Given the impact that the proposed assessment will have on my bank and my community, I strongly urge the FDIC to consider alternatives that would reduce our burden and provide the FDIC the funding it needs in the short term.

Finally, I support allowing institutions to spread any obligation over a reasonable period of time, and that the FDIC will commit to lower the assessment if the projected loss to the fund is decreased.

I thank you for this opportunity to provide comments.

Sincerely,

Ken Taylor  
559-785-4900