From: Border Collie [mailto:bcollie1212@hotmail.com]
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To: Comments
Subject: Assessments - Interim Rule - RIN 3064-AD35

Why weren't these "too big to fail" banks regulated better? Their risk is much higher than the small, conservative community bank but they get taxpayer money and we, as small community banks, end up paying and paying. It's the S&L crisis all over again. Do the regulatory agencies not learn a thing from the past?

Credit Unions don't have to follow the same regulations as banks, and apparently the "too big to fail" banks, investment companies, insurance companies, etc. don't have to worry about failure, risk, or much of anything else. Even when they are failing the executives get huge bonuses while exaggerating earnings, minimizing their risk, and apparently with virtually no regulatory supervision. It seems they are held to a different standard when it comes to their risk profile and compliance. And still are allowed to stay in business. What is wrong with this picture??

The government wants banks to free up credit and increase lending to get the economy going, but the increased lending is not coming from the institutions that received bailout funds – increased lending is coming from the smaller community banks. But now the FDIC wants to take capital away from banks in order to increase the DIF – which needs money because of the larger banks, not the smaller community banks. And we are upset that small community banks will have to pay for this situation caused by poor risk assessments, poor regulation, and excessive greed, and in turn, they will have less money for lending in our local community, less money to invest in community projects, and will have to pass along the expense in the form of higher fees and lower rates to our customers.

This special assessment penalizes the good in the banking system and rewards those that have taken excessive risk. I hope the FDIC can come up with a way to not disproportionately penalize the community banks in this country. I think it would be prudent to split up the DIF into low risk banks and high risk bank funds. This way the larger, riskier banks can guarantee their own deposits, and the riskier they are the more premiums they should pay. Let them bail each other out. The conservative, profitable, community banks – who receive miniscule or no bonuses and assume little or no risk – will pay lower premiums. This sounds so fair, so logical – and I have noticed that others making comments to this proposal have suggested the same thing.

And speaking personally, I am appalled that my tax money is going to these larger institutions so they can have huge bonuses, expensive trips to Las Vegas, private jets, etc. INSTEAD OF LENDING AND HELPING THE ECONOMY.

Thanks for taking my comments.
Anonymous Banker