

From: Ross Millsaps [mailto:RossM@athensfederal.com]
Sent: Friday, March 13, 2009 4:44 PM
To: Comments
Subject: Assessments, RIN 3064-AD35

To whom it may concern:

Please accept this letter as opposition to FDIC's proposed 20- basis-point special assessment. Being an established \$250mm small community bank that has always operated and continues to operate within a conservative business plan, we feel this special assessment is unfairly assessed. We do not participate in the risky practices that have led to this economic crisis, yet we are being penalized by having to pay this assessment on top of regular assessments that have already been significantly increased from last year's assessment rates.

Operating as a mutual savings bank limits our ability to formulate capital other than through net income. As you're aware, mutuals were not offered participation in the TARP. In these economic times margins continue to be squeezed limiting profitability and our ability to grow capital. This special assessment will cost us approximately \$400,000 and is estimated to negatively impact our 2009 net income by 33%. In order to maintain a well capitalized level we feel we will have to further tighten lending standards and stall lending.... if not shrink the bank. As you're well aware, this will hinder the economic recovery process in our market area as well as across America as other institutions strive to increase capital.

I appreciate the complexities of this problem and realize the difficulty in deriving the most advantageous solution to meet everyone's needs. I hope you can fully understand our position and will explore alternative funding sources in lieu of this special assessment. I sincerely believe with some great American ingenuity a more sensible and fair alternative can be derived.

Sincerely,
Ross Millsaps
Athens Federal Community Bank
VP/ Chief Credit Officer