



March 13, 2009

**Via Email at Comments @FDIC.gov**

Mr. Robert E. Feldman, Executive Secretary  
Attention: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, D.C. 20429

Re: **RIN #3064-AD35**  
**INTERIM RULE ON EMERGENCY SPECIAL ASSESSMENT**

Dear Mr. Feldman:

Johnson Financial Group, Inc. ("JFG") is a \$5.8-billion financial holding company headquartered in Racine, Wisconsin, operating through several affiliated companies primarily in the states of Wisconsin and Arizona. Our product/service lines include banking, trust, and investment services (Johnson Bank), an insurance agency (Johnson Insurance Services, LLC), and branded brokerage and credit card services (with joint marketing partners).

We appreciate and strongly support the FDIC's efforts to maintain appropriate levels in the Deposit Insurance Fund (DIF) during these difficult and challenging times, as well as efforts to reduce the negative financial viability impact on the banking industry while not jeopardizing DIF levels.

Johnson Financial Group fully understands that we are in the midst of extraordinary times and will be for some time. However, we believe the one-time special assessment of 20 basis points, along with the possibility of another special assessment of up to 10 basis points, should be revised. These assessments will negatively impact banks as well as consumers. The assessments represent a significant expense on top of already increased quarterly premium assessments. Ultimately these premiums remove money from banks that could be used to fund loans. Having less money available to fund loans will ultimately drive up interest rates for borrowing and will result in more denials.

The FDIC seeks comment on all aspects of this rulemaking. Following are our comments on selected questions.

**One-time Special Assessment Rate**

Comment is requested as to whether the assessment should be at a rate other than 20 basis points.

While we do not fully understand the scope of the potential losses to the DIF over the next few years, we ask that the FDIC select an assessment amount that is at the bottom of any spectrum of rates calculated for this purpose and/or extend the time period for the collection of the special assessment that balances the need to replenish the fund with reasonable premium assessments. In addition, we support the agency drawing on its line of credit with the Treasury to reduce the volatility of insurance premium rate assessments.

**Maximum Combined Assessment Rate and an Exemption for Weaker Institutions**

The FDIC asks if there should be a maximum rate that the combination of an institution's regular quarterly assessment rate and the special assessment could not exceed, as well as whether weaker institutions should be exempted, in whole or in part, from the special assessment.

Undoubtedly, these premiums will have a significant negative impact on troubled banks' earnings in 2009. We support a maximum rate for those institutions where the possible annual rate is close to 100 basis points. In addition we might support an exemption for *smaller* troubled banks that are not the cause of the problems the banking industry currently faces, with the ultimate goal of allowing them to survive in these difficult times.

**Special Assessments Assessed on Assets or Some Other Measure**

The FDIC also requests comment on whether special assessments should be assessed on assets or some other measure, rather than the regular risk-based assessment base.

It is our belief that there should be a risk-based approach to special assessments just as there is for regular assessments. Due to the urgency of a special contribution to the DIF, we suggest that this subject be tabled for future discussion.

**Special Assessment of Up to 10 Basis Points**

The FDIC also asks if there should be a special assessment of up to 10 basis points.

We believe that if the need to raise additional funds becomes necessary due to emergency circumstances, these funds should come from the FDIC's line of credit with the Treasury. Additional assessments against financial institutions will only serve to further weaken banks' ability to lend, and in some cases not allow them to survive.

**Assistance Being Provided to Systemically Important Institutions**

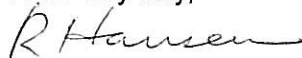
Finally, comment is requested on whether the assessments should take into account the assistance being provided to systemically important institutions.

We strongly believe that this assistance should be taken into consideration. These institutions should be expected to pay more for the benefit of FDIC insurance than healthy institutions as they are already receiving the benefits of federal assistance.

Johnson Financial Group fully agrees that we need a strong and viable fund in order to maintain consumer confidence in the banking system. However, we are concerned about the negative effect it will have on our industry. The one-time special assessment is difficult to absorb at a time when resources are already strained. Ultimately, those most hurt by these higher premiums will be our customers. This will further exacerbate the credit crisis and prevent economic growth.

We strongly urge the FDIC to consider lowering the amount of the special assessment, spreading out the assessment in the manner suggested above, repealing the FDIC's authority to collect up to an additional 10 basis points assessment in the future and utilizing the FDIC's line of credit with the Treasury. We appreciate the opportunity to comment on this very important interim rule.

Yours very truly,



Richard A. Hansen  
President & CEO

c: Kurt Bauer, President & CEO, Wisconsin Bankers Association