North Bank

March 6, 2009

Sheila C. Bair
Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Room MB 6028
Washington, DC 20429

Dear Chairman:

I am writing to express my strong opposition to the interim rule (RIN 3064-AD35) imposing a 20 basis point special assessment on community banks. Our institution has operated safely and soundly, and unlike the giant banks deemed "too big to fail," we did not contribute to our nation's economic and financial crisis.

Our regular assessment has already doubled from last year, and now this special assessment will adversely impact our earnings this year by an additional 40%. This means that my overall earnings for 2009 will be reduced by 48.9% due to increased FDIC insurance premiums. What a price we are paying for good behavior.

I just don't understand why we continue to reward bad behavior while penalizing those of us who play by the rules. There is no question that the insurance fund needs to be replenished, but I feel there are better options available.

1) Why not issue preferred stock with a nominal dividend whereby the financial institution could book an asset rather than having to affect our P&L statement all in one year?

2) Over the long haul, we need to change the method of how we assess the insurance premiums from deposits to assets, both domestic and international, so that the banks that are "too big to fail" pay their fair share. Those of us that fund our banks principally by deposits are paying a disproportionate share of the cost.

Community banks are well-capitalized and have money to lend to credit-worthy borrowers. At a critical time when our citizens and small businesses need access to credit, this special assessment will not only compromise our capital but also reduce available credit. There just has to be a better way.

Sincerely yours,

Mayo C. Walcott

Mayo C. Walcott
President

MCW/rav

501 N. Clark St., Chicago IL 60610-4201
360 E. Ohio St., Chicago IL 60611-3369

312/644-4000 312/644-9059 Fax Member F.D.I.C