From: Tracey M. Pierce [mailto:tracey.pierce@fmnetbank.com]
Sent: Friday, March 13, 2009 9:14 AM
To: Comments
Subject: FDIC Assessment

Good Morning,

This last week news from CNBC and the Wall Street Journal show that some of the biggest bank's in America are profitable in 2009. Some are even stating they no longer need more government TARP funds. These institutions include Bank of America and Citigroup. I understand this could be a plan to increase public confidence and not reality but the fact of the matter is no government programs would have been established if my $200 million bank had issues due to poor practices and greed.

I am outraged that FDIC feels that during a struggling economy when communities are experiencing significant layoffs that it is appropriate to ask community banks to fund the insurance fund when they have done all the right things. Make these "profitable" big banks pony up. Not only is our bank being asked to contribute to the insurance fund for an assessment but we are being asked to give up margin / earnings to ensure liquidity. Does the FDIC really think that paying over the brokered market 80 bps – 100 bps to local depositors is truly not "hot money". We have 3 community banks with no large bank so we aren't seeing the increase in deposits because the community is secure with their local banks. Reduced earnings results in less retained earnings / capital and less shareholder confidence when dividends are cut.

I would really like to understand how a bank in is economy can satisfy the demands of liquidity, earnings, and capital. I don't see how all 3 objectives can be accomplished especially with extra demands of a 20 bps assessment above the already large increases over the past quarters. When will this system get back to holding greedy, risky, power hungry bank's accountable for their actions. I hope someone is thinking about pulling some of these institutions apart because "too big to fail" is just not good banking.

Listed below are some comments from our local banking organization and I agree with each one of them.

· Community banks, which did not cause the economic crisis, should not pay any special assessment.
· The FDIC should ask Congress for the authority to levy special assessments on the TBTF banks that caused the financial meltdown.
· The FDIC should tap its line-of-credit with the Treasury.
· If all banks are assessed, then the FDIC should assess premiums based on total assets (minus tangible capital) rather than domestic deposits, which would rightfully place greater responsibility on the TBTF banks.

Recently, we had a safety and soundness exam which I would like to report your field examiners were great. They answered many of the questions that I had and did a very complete exam. Since the exam I feel much more confident in the management of the bank and the FDIC as a whole.

Thanks,

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