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FDIC
Sheila Bair

As a small community banker, I find it very disheartening that the FDIC has made the decision to "substantially increase" the insurance premium assessment. This comes at a very difficult time for my bank. We did not participate in any of the high risk products that led to the current economic crisis. However, we are now being required to pay for the sins of the mega banks and the Wall Street firms.

In one of the articles that have crossed my desk, one of the reasons to justify this special assessment is FDIC's analysis that 100% of the anticipated losses to the fund will come from the small and medium sized banks. It doesn't take a brain surgeon to realize that the mega banks and the Wall Street firms are having their losses covered by the injections from the U S taxpayers. Throwing around BILLIONS to prop up these institutions is worse than having the DIF hit zero.

Since community banks have played by the rules of common sense lending, I feel they are being punished by shouldering a disproportionate share of the premium to rebuild the DIF due to the structure of the assessment base. I would like to see the FDIC change the structure of the assessment base and be permitted to levy a systemic risk premium on the "too-big-to-fail", and the "too-big-to-regulate" institutions that helped trigger the problems that led to the fund being depleted. Perhaps a "special assessment" on the amount of stimulus money they have and will be getting.

I fully understand that the DIF needs to be maintained. We need a strong FDIC for public confidence in our financial system. But I also believe that community banks will be the financial institutions capable of dragging this country out of this economic turmoil. So I am standing up for my bank and all community banks and asking that the FDIC look at other options for restoring the DIF. Placing extra financial burdens with "special assessments" will only serve to restrict our ability to lend money to businesses and consumers.

Thank you.

Anthony Jon Hall
President/CEO