From: Russ Richardson [mailto:Russ@starbanktexas.com]
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To: Comments
Subject: RIN# 3064-AD35 Star Bank of Texas
Importance: High

FDIC
Washington, DC

RE: Emergency Special Assessment for recapitalization of DIF

Thank you for allowing me to comment on the proposed special assessment voted on by the FDIC on this past Friday.

As a way of introduction I represent a small community bank with total assets of approximately $80MM and located in Lake Worth, Texas. I have been in the banking business for 37 years and have been involved in the chartering of three banks in Texas. None of these banks have every been a "problem bank" and in fact have had a great working relationship with the regulators.

During my tenure in the banking industry nothing has caused me greater frustration then the near collapse of the "too big to fail" banks. The "too big to fail" issue has been a continuous irritation that has festered and tormented the community banking industry for decades. I've silently put up with doing my part in supporting the DIF over the years by keeping our bank in a position to garner the lowest assessment from the FDIC; a worthwhile goal that benefits the bank and our regulators. Our bank, like most community banks, do this by developing relationships, by knowing who our customers are, by lending money to our area businesses, by supporting our school districts and finally by providing an adequate return to our shareholders. This is what community banks do everyday. We have never expanded our balance sheet with derivatives; never participated in hedge funding; never expanded outside our territory without calculating the consequences and never taken a dime from the federal government. Our investments have been made in the communities we serve. But I'm not so naive to think that if our bank made bad decisions of the magnitude of the "too big to fail" banks that the FDIC would sit still and allow that to continue. I'd be looking for a job, if I could find one, in a heartbeat.

When Ms. Bair said in her March 2, 2009 letter to bank CEO's that "For risk-based assessments **our statute restricts us from discriminating against an institution because of size**." My question is why is that statute limited to risk-based assessmemts? Size does make a difference when it comes to Citi Bank, B fo A and Wells Fargo,Country Wide and Wachovia but not to our bank or the thousands of banks like ours. The letter states that "Banks face tremendous challenges right now even with having to pay higher assessments." which is a point well taken. Then the letter states that ". . . assessments reduce the funds that banks can lend in their communities to help revitalize the economy." This must be directed to community banks because the Wall Street Banks haven't yet understood the expected use of the bailout funds, also a point well taken. But when the subject of reality is brought up there was no mention of how the DIF got in its current funding position in the first place. There is no mention of the taxpayers BILLIONS OF DOLLARS that have been poured into the "too big to fail" banks as a result of the greed, incompetence and extravagant spending practices of the Wall Street Banks; all of which caused this mess in the first place. Isn't it a little late to admonish the industry for suggesting that the taxpayers might paint all banks with the "bailout" brush. That has already happened! Then to suggest that ". . .any system of insurance requires to some degree that premiums paid by well-managed and healthier institutions cover the losses caused by their weaker counterparts." is absent the ability of choice or other options usually available to the

purchaser. That is not an option for Main Street Banks. Quite frankly I'm sick and tired being the scapegoat for the Wall Street Banks. Acceptance of the status quo is intolerable and action needs to be taken to remove the "too big to fail" guarantee attached to these banks that pose systemic risk through their reckless operation.

The FDIC seems to want the Main Street Banks to passively go along with the special assessment because "We searched for alternatives but found none better." My opinion is that the issues needs to be readdressed. Camden Fine, ICBA President & CEO has some suggestions put forth just today when he said "The FDIC could change the assessment based upon which premiums are calculated to bring more equity to the assessment process. The FDIC could vigorously push Congress to enact legislation to allow it to levy a special assessment on the largest "systemic risk" firms. The FDIC could tap temporary funding from the Treasury (like the big Wall Street firms are doing by the bushel basket full) to re-capitalize the insurance fund, giving Main Street banks time to strengthen their balance sheets and allow local lending activities to continue (and grow) to help our struggling economy recover, rather than constrict lending further by imposing a painful new debt obligation on already burdened balance sheets." Then he said ". . . this new burden falls disproportionally hard on the community banks of Main Street America. Yes, there were other options!" It sure didn't take Congress or the powers that be long to approve raising the FDIC insurance limit to $250,000.

These "extraordinary circumstances" that we are facing require extraordinary actions. Putting Main Street Banks in "harms way" by levying a disproportional special assessment is NOT the answer! How many more special assessments are in our future? Your job is not complete until an equitable solution has been found. "Wall Street has been "bailed out". It is not the time to bury Main Street Banks as we are the strength that our communities depend on everyday. I believe that silence is no longer an option and neither is being passive.

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