

From: Mike Sikes [mailto:mikes@esbtrust.com]

Sent: Wednesday, March 04, 2009 9:32 AM

To: Comments

Cc: info@icba.org

Subject: FDIC special assessment

To whom it may concern,

I am a community banker located in the nation's heartland, Emporia, Kansas. I like thousands of my fellow bankers were shocked to hear last Friday of the special emergency assessment being levied by the FDIC. An assessment of 20 basis points sounds pretty insignificant if you say it quick enough, however for my bank and many like mine this will create a tremendous hardship. The unfortunate part of this news is that small community banks have very few options when it comes to recouping this money. We can either cut payroll or cut the rates we pay our depositors, neither of which is a very popular option.

I am not one that usually takes the time send these type responses because frankly it doesn't seem to do much good and I doubt seriously that the FDIC will make any changes to this onerous announcement. Having said that the very least you could have done was to let community bankers know just how much total burden you intend to put on us. I can't believe you honestly feel that this one special emergency assessment will be sufficient. My guess based on what is happening in the economy and the FDIC's track record that you have grossly underestimated the numbers of bank failures and the eventual cost the deposit insurance fund. Continuing to go the well of the community bankers is a strategy that will not work indefinitely. You know full well that community bankers have not caused the problems we are facing yet you have no problem forcing them to pay to clean it up. My prediction is that the deposit insurance fund will be in need of additional money even before you've collected this special assessment. Therefore you need to be working to find other ways to fix this problem. There are other solutions starting with making those that caused the problem be the ones that pay for the solution!

Sincerely,

Mike Sikes
Executive Vice-President
ESB Financial