

March 13, 2009

Federal Deposit Insurance Corporation  
Washington, DC

Re: 2009 Special Assessment

Gentlemen:

I am opposed to any special assessment at this time for several reasons:

1. Premiums are already being increased very significantly.
2. The assessment will take needed capital from the banking system
3. The assessment will be detrimental to the majority of banks that pose little, if any, risk to the fund and certainly no systemic risk.
4. The banks – mostly community banks – that are profitable are the banks that continue to lend and help their communities in these difficult times.
5. You cannot rebuild the BIF, in the short term, to cover the cost of a big bank failure.
6. You are adding a huge expense at a time when other expenses are increasing and income is declining. You will push some community banks to unacceptable capital ratios and perhaps to fail.

While I understand your legal restriction to differentiate between banks, it is obvious that separate BIFs should be in place for the “too big to fail” or “to big to close” banks and the community banks. This should be addressed by Congress and should be supported by the FDIC. The inability to fund the systemic risk factor has been recognized by Congress as they have already provided funding for the “to big to close” banks.

You do have other options for funding the BIF. A premium assessment against all assets might be a starting point. Barring an improbable economic turn around, your line of credit with the treasury will be utilized.

Why would you want to impede the one sector of banking that is continuing to function as you and our nation want to see?

Sincerely,

James D. Lindsey  
Chairman of the Board, President and CEO  
First State Bank, Mesquite, Texas