March 10, 2009

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th St. NW
Washington DC 20429

Subject: Assessments; RIN 3064-AD35

Dear Mr. Feldman:

Thank you for the opportunity to comment on the special deposit insurance assessment as approved by the FDIC Board on February 27, 2009.

I am the CEO of Texas Heritage Bank, an $80 Million state chartered bank located in central, rural Texas.

Last year our loan portfolio grew 17%. We had pretax earnings of $1,084M with a pretax ROAA of 1.07%. As an S corp. bank, our shareholders will pay 2008 income taxes of approximately $350M based on the earnings of the bank. And, we paid FDIC insurance premiums in 2008 of $25M and estimate that our 2009 regular premiums will be approximately $60M. We are profitable, well capitalized and growing.

Now, our community bank is being called on to "bail out" the big banks. We estimate that this special 20% assessment will amount to approximately $130M which is 12% of our planned earnings for the year. And, when combined with the regular assessment we will pay a total of $190M or 18% of income for FDIC insurance this fiscal year. This is a substantial hit to our income. As you know, organic growth from income is the principal way to support the expansion of capital. This special assessment has the effect of reducing our capacity to grow our loans by 12%. This is in direct conflict with the Treasury Departments goal of getting banks to loan money again. Our goal is to grow our bank by lending in our local markets, which in turn helps our communities grow. The actions of the FDIC are encouraging restriction in lending rather than expansion.

In my view, you are crippling the very industry (community banks) that has the best overall historical track record for earnings and prudent lending. In contrast to the big Wall Street banks, our industry supports Main Street. In order to get this country up and running again, you must find ways of supporting the growth of banks like ours that are prudent underwriters who understand and know their local markets.

We rejected the TARP money and just want to be left alone to do what we have always done, take care of our local communities.

We respectfully request that you reconsider this ill advised special assessment. We will do our part, but an across the board assessment rate without taking into consideration the financial strength/risk of the bank, is outrageous. We suggest that there should be some kind of "systemic risk weighting" applied to the assessment. Or, at least adjust the amortization rules to allow for a multi-year amortization of any special assessment.

Sincerely,

Steven S. Mack
Chief Executive Officer