From: Thomas O'Brien [mailto:tobrien@fnbminersville.com]
Sent: Tuesday, March 24, 2009 3:54 PM
To: Comments
Subject: Assessments, RIN 3064-AD35

Sirs:

Deja vu !!! The Savings and Loan debacle all over again. Banks again are being saddled with the expense of bailing out the culprits, including Congress, who created the financial mess that we are now in. It appears that the plan is to go after profitable community banks, who did the right thing , to replenish the FDIC Insurance Fund.

Community banks did not participate in the risky practices that brought on the current economic crisis. Why, then, should they be expected to pay for the onerous special assessment, now being considered, on top of our regular annual assessment. which has doubled in 2009. Community bankers are the bright spot in this mess. We're well capitalized, common sense lenders who want to help in the economy recovery process. Draining our profits and capital will only serve to hinder our ability to help.

We cannot be happy that we are again being called on to build the FDIC Insurance Fund because of the excesses of others. The large Wall Street goliaths who created this mess should be broken up into more manageable entities for the welfare of our country. In addition, they should be required to pay a larger share of the bailout burden. The special assessment should be shouldered by the corporate giants who made the mess.

If we must pay this assessment, we support a change in accounting rules that will allow us to amortize the special assessment over a period of five (5) years. In addition we support a systemic risk premium for the large systemically important banks. The premium should be large enough to pay for the substantially greater risk posed by these institutions. The FDIC should consider the assistance provided systemically important institutions when determining the special assessment.

Failing large banks have access to TARP money to pay for the premiums. We turned down TARP money because we do not need it- we are well capitalized. It is not right that large failing banks with access to TARP can use these taxpayers funds to pay for their FDIC premium.

FDIC, itself, has access to the same kind of relief, and in my judgment should use it instead of assessing community banks unfairly. The FDIC should explore alternatives for funding the DIF in lieu of a special assessment. It could borrow from Treasury, it could use debt certificates for the general public, who would be delighted with this investment opportunity or it could borrow from the Banking industry that also would grateful for this option.

Any special assessment will come down hard on community banks. In our case a $.20 per $100.00 of deposits assessment will amount to $143K, in addition our regular FDIC premium will increase by $50K, up from $5K in 2008 an increase of 90% from a year ago. Obviously this will have an impact on our ability to lend exacerbating an already critical situation. Lay-offs would have to be considered as part of any plan to cope with the increased expense. This would not be good.

We trust that you will listen to our concerns and that sound judgment will prevail. Thank you for considering our thoughts.

Sincerely
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