

**THE FIRST NATIONAL BANK OF HICO**  
**135 NORTH PECAN/P.O. BOX 248**  
**HICO, TEXAS 76457**  
**254-796-4221**

March 24, 2009

Mr. Robert E. Feldman  
Executive Secretary  
Attention: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20429

RE: Assessments, RIN 3064-AD35

Dear Mr. Feldman:

I appreciate the opportunity to comment on this proposal. I represent a small community bank with 33 million in total assets located in the heart of Texas. First National Bank was established in 1890 and has survived many economic crisis and downturns in its history. I have been with the bank for 40 of those years. I became President of the bank during the last devastating storm of the mid-to-late 1980's and early 1990's. I never thought I would ever go through another crisis as bad as it was and certainly not one that would be worse. I guess the old saying is true "you should never say never".

We survived the last crisis by going back to our core conservative values and have followed prudent and conservative banking practices. Where do I go to this time to try and weather this storm? We neither participated in nor profited from the present economic crisis, but we will pay the price regardless with increased deposit insurance, strained net interest margins, anxious and angry customers, a stressed real estate market, and banks that are receiving TARP money paying ridiculous interest rates that we can't even begin to compete with. On top of all of that, I am sure that our regulators will be bringing on new rules and regulations for us to conform to which will increase our cost of doing business. We already have some of those coming this year and I'm sure our Congress isn't done yet.

Our next (03-31-2009) quarterly assessment for FDIC insurance is several hundred dollars more than we paid for ALL of 2008. In addition, if a special assessment is handed down the increased cost over prior years will be staggering. We are also increasing our reserve for loan loss. Increasing cost in all areas seems to be hitting us all at once. I have already informed our senior officers that we will be curtailing as many activities and cost as we can.

I implore you to examine several options that have been proposed that could potentially mitigate some of the damage to community banks as proposed by IBAT and ICBA. Finally, that community banks should be separated from the "to big to fail" banks and financial services conglomerates. First National Bank has been paying in to the FDIC fund since it was formed. How about the big guys?

Sincerely,  
Dianne Stone  
President  
Cc: Ms. Sheila Bair, Chairman FDIC