

March 24, 2009

Mr. Robert E. Feldman, Executive Secretary
Attention: comments
Federal Deposit Insurance Corporation
550 17th, N.W.
Washington, D.C. 20429

comments@fdic.gov

RE: RIN 3064-AD35
Assessments

Dear Mr. Feldman:

I appreciate the opportunity to comment on the FDIC's interim rule that would impose a special assessment of 20 basis points in the second quarter.

I completely understand the need to replenish the FDIC insurance fund for the protection of depositors and consumer confidence; however, I'd like you to reconsider the financial strain this special assessment will place on numerous community banks across the country.

As a local community bank we have maintained conservative underwriting standards, unlike the large banks that the government seems eager to bail out. In return we are now being penalized with this special assessment, which will easily erase a quarter's worth of earnings in the mist of the deepening economic recession. I can only imagine what this assessment will do to banks that are smaller than us (\$100 million).

Our 2009 budget income was already down, due to this extremely low rate environment and regulators requesting us to shore up already conservative underwriting standards. Which seems like a contradiction, President Obama wants banks to lend more money to stimulate the economy, but the regulators are making it difficult to lend money to our consumers; therefore limiting our earning assets.

If you insist on moving forward with the special assessment, I encourage you to either lessen the amount of the special assessment or to allow banks to spread the special assessment out over an 18 – 24 month period to ease the financial hardship that it will cause the smaller community banks.

Thank you for your reconsideration of the special 20 basis points assessment.

Sincerely,
Renee M. Sharpe
EVP – CFO
Condon National Bank