From: James Brammer [mailto:james@bots-fl.com]
Sent: Tuesday, March 10, 2009 12:50 PM
To: Comments
Subject: Assessments, RIN 3064-AD35
Reference: Assessments, RIN 3064-AD35

Dear Chairman Bair,

On behalf of Bank of the South and, I believe, community banks everywhere, I would like to express my confusion and disappointment regarding the FDIC decision to levy an indiscriminate and massive fee on community banks who are being lumped in with greedy and bloated firms responsible.

I am confused because your letter to us stated that using taxpayer money to replenish the DIF was unacceptable, yet such a great bulk of the deposits to be assessed are held at institutions that have received federal aid. They received this aid because they are hemorrhaging cash, rather than bring in income. Where then does the bulk of the assessment collection come from? I should not need to be the one who points out that the special assessment levied against a failing institution is not going to be paid out of their nonexistent profits or nonexistent capital. It will be paid out of cash that was taken from taxpayer pockets, including taxpaying entities like Bank of the South and other community banks. In effect we are double paying for the megabank sins.

I am disappointed in the willingness of the FDIC to dismissively overlook the wellbeing of the many thousands of banks that conclusively had nothing to do with Wall Street's fall, but have everything to do with Main Street's recovery. Our dedication to safety and soundness does not yield large profits capable of supporting the fallout from the greed that the some regulatory agencies sanctioned or merely looked away from in order to allow this chaos to unravel. At 20bp the fee will devastate our 2009 income, which is meager due to a business model focused around safety and common sense rather than risk and greed. Even if it becomes 10bp many of our plans for the year will have to be curtailed, as more of our honest profits are appropriated to be dumped down this bottomless pit of Wall Street greed and failure, rather into a truly needy local economy.

Chairman Bair, please reconsider the nature and source of the funds to appropriated into the DIF. The plan as it is written now is a slap in the face to the common sense based community banking model, and an easy slide for the megabanks using their TARP or other taxpayer funds to pay their share of it, which ought to be all of it. There are many options, such as moderately raising base rates on risky banks in the long term as an additional clause to their rescues, or simply refilling the DIF with a small share of the many hundreds of billions of dollars already allocated by congress to aid this industry. Personally I favor this method, as it is honest and does not mask the source of the funds by first channeling them through a failing institution and then assessing them back out.

Our community banking industry relies on you and your organization to keep this industry safe for us, rather than harmful to us. Please keep community banks in mind as you continue to manage this crisis.

Sincerely,
James Brammer
CFO/Cashier
Bank of the South
(850) 456 5722