
From: Dan Coup [mailto:danhfnb@tctelco.net]
Sent: Tuesday, March 10, 2009 11:48 AM
To: Comments
Cc: Jerry Moran; Pat Roberts; Sam Brownback
Subject: Assessments, RIN 3064-AD35

Thank you for the opportunity to comment on the FDIC's special assessment of 20 basis points. I agree that the Deposit Insurance Fund (DIF) must remain adequately funded in order to insure confidence in the banking system. I disagree with the proposed plan as it will add to the problems facing banks and the nations economy.

Let me give you a perspective of our bank and our community. We are a small 40 million dollar community bank located in the North central Kansas community of Hope, population 400. We are a rural community serving an area of approximately a 25 mile radius of Hope. We struggle to keep our main street viable like most small communities. We are fortunate to have our school, grades K through 12 which creates tremendous community pride. This special assessment will affect our banks ability to continue our monetary support to our school and community.

Community banks like ours were not the cause of the economic crisis as we did not participate in risky lending such as sub-prime loans. But now we are being penalized by having to pay this 20 basis point special assessment on top of our regular assessments that have already doubled!

Like most community banks, we have continued to make loans in our community for homes, cars, business and agriculture. This special assessment will only hinder our ability to continue to fund those loan requests. We must remain a well capitalized bank and this assessment has a negative impact to our capital.

I estimate that a 20 basis point assessment reduces our earnings by 17%! This on top of the already doubled assessment could affect our banks "Earnings Rating" by regulators.

I believe FDIC should consider other ways to fund DIF, such as the assessment based on total assets, less tangible capital, or better yet, a systemic-risk premium for "systemically important" banks. If in fact community banks are forced to shoulder the burden for the sins of others, accounting rules should be changed to allow banks to amortize the special assessment over a period of years, such as 5 to 7 years.

Again, thank for this opportunity to comment and I hope you will reconsider the method of funding DIF.

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