
From: Gribben, Jeff [mailto:JGribben@firstcitizensnb.com]

Sent: Tuesday, March 10, 2009 11:42 AM

To: Comments

Subject: Assessments, RIN 3064-AD35

Dear Sir/Madam:

The proposed assessment of 20bp is a big concern for me given the impact it will have on our organization – approximately \$1.3 million of additional cost. I am the CFO at First Citizens National Bank in Mason City, Iowa and if the assessment is ultimately charged our institution will see 12% of its earnings in 2009 eliminated along with approximately 1.4% of our capital. I previously sent an email regarding some of these issues but after considering it further I wanted to stress some important issues I might have missed before.

While we are a well capitalized organization there is no doubt that in these trying times this negative hit to earning will impact our ability to serve our community as we planned in 2009 and have done in past year. As a community bank we are called on to support numerous non-profit organizations within our community and the simple fact will be that these costs will have to be some of the first to be cut as financial constraints from this assessment, troubled debt and market-to-market pressures impact our earnings and equity.

In addition to cutting costs we will be forced to try and pass on some of this cost to customers in the form of reduced deposit rates. This most certainly will impact fixed income customers that rely heavily on CD interest generated at their local banks as a source of income. If we as a community bank are looking at this as partial offset I can assure you that larger banks are looking to pass all of this fee along if they have not already reduced rates to levels that won't allow for this.

The unfortunate reality is this might drive customers away from our bank which would decrease our deposit levels and in turn decrease our ability to lend to customers in our market. We are a conservative organization that does not take major risks which means that when our loan to deposit ratios start to approach 85% we pull the plug on lending activity. There is no doubt that you have found that some, if not all, of your banks that you have seen fail have not been so conservative.

Another change that will certainly be impacted if this assessment goes through is that we will have to cut back on planned capital expenditures. We pride ourselves in trying to stay with technology and maintaining nice office space but these planned expenditures will most definitely be cut. This is not a good thing given the current economic conditions.

Please strongly consider reducing if not eliminating this assessment.

Jeff Gribben

CFO

First Citizens National Bank

Mason City, Iowa