From: Michelle Coleman [mailto:mcoleman@bankofedmonson.com]
Sent: Wednesday, March 25, 2009 10:27 AM
To: Comments
Subject: Assessments - Interim Rule - RIN 3064-AD35

To Whom It May Concern:

As you have likely heard, the FDIC announced a proposal for a "one time" special assessment of 20 basis points, with the possibility of an additional 10 basis points on the banking industry. This calculates to 20 cents on every $100 of all deposits, regardless of FDIC classification of risk.

While there is clearly stress in other parts of our nation in the community banking industry, the vast majority of the cause of this and the risk lies squarely at the feet of the "too-big-to-fail" banks and the irresponsible behavior of other sectors in the financial services business. While we understand the importance of a healthy FDIC fund, we find this particular solution to be wholly unacceptable. Community banks didn't profit from the excesses of the past, and shouldn't have to shoulder a pro-rata share of the costs to pay for others' bad decisions.

This fund was built up entirely by bank premiums over time and we recognize it is essential to our nation's banking system. We also recognize how important deposit insurance is for bank customers and are proud to say that no one has ever lost even a penny of insured deposits. However, we have paid our premiums based on our low risk every quarter our bank's doors were open and have done our part already to ensure the fund is compensated for our part, like many other sound banking institutions.

It is always important to strike the right balance between maintaining a strong fund and ensuring that banks have adequate resources to meet the lending needs of their communities. Large premium increases designed to quickly build up the fund result in less money in the system and decreased lending capacity for banks. The last thing our Main Street in Brownsville, Kentucky needs is a weakened lending environment where our farmers can no longer borrow for their crops and our construction clients can no longer have economic prosperity in new developments. The additional premium charge will make it more challenging for banks of all sizes to meet the credit demands of their local communities.

Even the healthiest community banks like us under that scenario are going to pay out 20% or more of the expected profits for 2009, leaving banks with little ability to cope with other economic emergencies. This will require community banks to reduce staff, leaving valuable employees without a job during these difficult times, causing a further strain on the economy. It will also necessitate a suspension or significant reduction in dividends, which penalizes the shareholder who has invested in well managed banks and discourages others from investing in a time when we are trying to rebuild the investor confidence in all sectors of our great nation. I urge you that this assessment is faulty legislation at its current proposal and cannot be passed.

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