



79 Woodfin Place
Asheville, NC 28801

March 26, 2009

DELIVERED VIA EMAIL

Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429
comments@fdic.gov

Re: Emergency Special Assessments; RIN 3064-AD35

Dear Mr. Feldman:

As President and CEO of The Bank of Asheville, I appreciate this opportunity to comment on the FDIC's proposal to impose a 20 basis point emergency special assessment upon insured depository institutions. The Bank of Asheville was established in 1997 and is a small community bank serving Asheville and Buncombe County, North Carolina.

Let me begin by saying that our Bank recognizes the need to have a strong, financially secure Deposit Insurance Fund in order to maintain the confidence of depositors. We also recognize that deteriorations in economic conditions have put pressure upon the Fund, and there is a need to take steps to recapitalize it. Where we strongly disagree with the proposed interim rule is on the manner in which assessments should occur. The proposed assessment of 20 basis points is substantial, and it will place significant pressure upon our financial institution. Bank earnings will be severely reduced, making it difficult to build capital during a period in which capital is critically needed. Based on our projections, 20 basis points will be approximately a quarter's earnings for us. We will also have to look at restricting our deposit growth, which will affect our capacity to lend.

Rather than impose assessments in the manner described in the interim rule, we ask that the FDIC continue to pursue all available alternatives, including spreading the recapitalization over a longer timescale, issuing bonds similar to those once used by the old Financing Corporation (FICO) to recapitalize the thrift fund, and allowing for equity investments by banks through preferred stock investments that would recapitalize the agency while also being treated as assets on bank's balance sheets. We are also mindful that legislation currently pending in Congress to increase the FDIC's borrowing authority could result in a reduction of the

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emergency special assessment from 20 basis points to 10 basis points, which would also significantly impact our earnings, and we are aware that transfers from the Temporary Liquidity Guarantee Program to the Deposit Insurance Fund could further reduce the need for an emergency special assessment. We ask that the FDIC take all of these factors into consideration when deciding on the approach that should be taken with respect to assessments.

Thank you for your consideration of these comments. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Gordon Greenwood". The signature is written in a cursive, flowing style.

G. Gordon Greenwood
President and CEO

GGG/sw