From: Tom Winfree [mailto:twinfree@VillageBank.com]
Sent: Tuesday, March 10, 2009 11:02 AM
To: comments@fdic.gov.
Cc: Tom Winfree
Subject: RIN # 3064-AD35 , Please, Please read - Both messages. There will be more layoffs in our industry to offset the increased FDIC Insurance costs

From:
Tom Winfree, President
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Reference: RIN # 3064-AD35

Gentlemen:

I was very disheartened to hear that the FDIC today approved an interim rule to raise second-quarter deposit-insurance premiums for Risk Category I banks from 10 to 14 basis points to 12 to 16 basis points, and also impose a 20-basis-point special emergency assessment, payable Sept. 30, and authorize the FDIC to implement an additional 10 basis-point premium in any quarter. Even with the recent decrease to 10 basis points, I am concerned. As an officer of a small community bank located in Richmond, Virginia, I believe that this is another example of community banks that didn't participate in the high-risk practices that led to the current economic crisis being asked to pay for the sins of the big banks and Wall Street. I understand that maintaining the integrity of the Bank Insurance Fund is important to the viability of the industry, but shouldn't the ones who created the current decline in the Fund be the ones to bear most of the burden?

If you continue to take from the ones who play by the rules and support their communities, and give to the ones who demonstrated only greed and a total disregard for the integrity of the banking industry, then you would appear to support what they did. Explain to me how long you think we will continue to accept that the only reward for playing by the rules is an increased financial regulatory burden. This just isn't right.

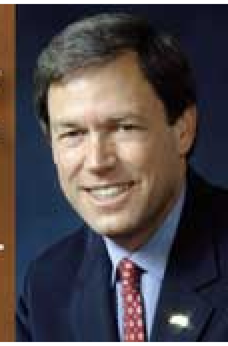
I have never questioned regulatory oversight in the past, accepting it as a necessary thing to maintain the integrity of banking in our great country. But now you have gone too far. You, as our primary regulator, have stood on the sidelines allowing the media to characterize funds received under TARP as "bailout money", knowing full well that these funds represent expensive capital that will be paid back to the government with interest and that dilute current shareholder value. And now you want to increase the cost of our insurance so that we can pay more for the privilege of being bad-mouthed by the President, Congress and the media.

In this current environment of out of control advocacy for any one or thing that catches the eye of our legislators, who will be an advocate for community banks? If not you as our primary regulator, then who? I have always been proud to be a community banker. I continue to be proud of what I do, but I believe that if the current regulatory environment of taking from the good guys to cover the actions of the irresponsible continues, the banking industry as we know it will not exist on the future. Then who is going to pay the bills?

Please take another look at Cam Fines letter below.

ICBA
Independent Community Bankers of America

FROM THE DESK OF
President and CEO



Main Street America — Awakening a Sleeping Giant

"I fear all we have done is to awaken a sleeping giant and fill him with a terrible resolve."

> Japanese Admiral Isoroku Yamamoto—upon learning that the Japanese Declaration of War had not been delivered prior to the bombing of Pearl Harbor.

One of the most devastating events in American military history was Japan's sneak attack on Pearl Harbor. Metaphorically, that is exactly what the FDIC did on Friday, February 27, by imposing a crippling 20-cent special assessment (with the possibility of greater assessments on the horizon) on the nation's 8,000 community banks. This staggering burden is directly related to the greed, incompetence and sins of the Wall Street firms that so crippled this nation's economy.

We have now come to the point where the "systemically unimportant" banks of Main Street must, along with the nation's taxpayers, bail out the "systemically important" Wall Street firms. Not only are a handful of Wall Street CEOs holding a gun to the taxpayers' heads, they have the banks of Main Street America looking down the barrel as well.

Why are thousands of Main Street community banks being crippled by a handful of Wall Street firms? Doesn't our government "get it"? Do public officials get that they are punishing the only financial institutions that can pull them out of this hole? Will Rogers famously said, "When you find yourself in a hole, quit digging." The FDIC has not stopped digging and Main Street America is getting deeper in the hole.

The very banks capable of dragging this country out of our economic turmoil, the banks that are doing all they can to give Main Street and rural America a hand up, got the back of the hand from their own government on the same day that Citi was getting a hand out! And yesterday AIG got another $30 billion helping of taxpayer money.

What did community banks do to deserve this? They played by the rules—unlike their Wall Street counterparts! And now they will pay to bail out those firms that did not. And in an echo of that terrible day that so surprised and shocked our nation in 1941, the response from community banks on Main Street is OUTRAGE! And “outrage” is a perfect word to express the growing frustration and emotion of our nation’s community bankers as our government’s seemingly two-faced policy actions continue.

Does the FDIC reserve fund need to be maintained? Do we need a strong FDIC for public confidence in our deposit system? Yes, obviously, we do. However, there are other courses of action that could be pursued. The FDIC could change the assessment based upon which premiums are calculated to bring more equity to the assessment process. The FDIC could vigorously push Congress to enact legislation to allow it to levy a special assessment on the largest “systemic risk” firms. The FDIC could tap temporary funding from the Treasury (like the big Wall Street firms are doing by the bushel basket full) to re-capitalize the insurance fund, giving Main Street banks time to strengthen their balance sheets and allow local lending activities to continue (and grow) to help our struggling economy recover, rather than constrict lending further by imposing a painful new debt obligation on already burdened balance sheets. To add insult to injury, this new burden falls disproportionally hard on the community banks of Main Street America. Yes, there were other options!

Standing up for the community banks of Main Street and rural America is ICBA. And with the united voices of thousands of community banks across America, we will rise to the challenge and make it clear that burdening Main Street America is not a solution to this economic mess. In fact it will make the mess much worse. ICBA will make crystal clear that this wanton disregard for Main Street must stop for the good of this nation. Otherwise any recovery will be weak and years away.

ICBA will never quit fighting for your franchises and neither should you. Every community banker in this nation—yes, all 8,000—needs to show “a terrible resolve.” Join with ICBA and send your comment letters to the FDIC by the thousands. Become militant. Engage your congressional delegations! Your bank’s survival is at stake. Your community’s well-being is at stake! Shake the walls of the FDIC and Congress until they reverse this and other misguided policies. Together we can bring equity and fairness to our financial system. Together we can rock Washington!

The Nation’s Voice for Community Banks®