

From: Merfeld, Jo Ann [mailto:JMERFELD@firstcitizensnb.com]
Sent: Tuesday, March 10, 2009 9:54 AM
To: Comments
Subject: Comments regarding Special Assessment

The Special Assessment for FDIC Insurance coverage in 2009 is especially egregious for community banks. The increase in costs of FDIC insurance coverage including the special assessment this year will effectively amount to nearly 20% of our typical annual after-tax earnings.

Most community banks had no part in the ill-conceived loan decisions made during the last several years that have resulted in the depletion of the FDIC fund balances. However, we had to compete for customers against these institutions while trying to make good loan decisions. As a result, borrowers received loans that were not in their best interest. Community banks did not enjoy the very high earnings of these institutions during the “good years” and now are being asked to bail out these same institutions.

For the most part, very large institutions are the cause of this financial debacle and, in my opinion, should be the ones that pay for its ultimate costs.

It is grossly unfair to ask community banks to pay for the situation that they did not create.

Thank you for the opportunity to comment on this issue.

*Jo Ann Merfeld, SVP
First Citizens National Bank
2601 4th St SW
Mason City, Iowa 50402-1708*

*641-423-1600
641-494-0330 (fax)*