

Sheila C. Bair, Chairman
Federal Deposit Insurance Corporation
Washington, D.C. 20429

March 26, 2009

Dear Chairman Bair:

RE: Assessments, RIN 3064-AD35"

I would like to respectfully disagree with the decision of the members of the F.D.I.C. decision making body and yourself with regards to the increased and special assessment rates recently proposed. As C.E.O. , President and owner of a smaller main street banking institution, I contend that you are collectively out of touch with main street community banks which are an integral part of the backbone of the business community engine in the U.S. economy. Your setting of F.D.I.C. assessment rates at between 12-16 basis points and additionally of the special assessment rate of 20 basis points due September 30, 2009, to be placed on smaller community banks across the nation confirms and emphasizes your Out of Touch character.

Placing an inordinate burden such as this on smaller community banks who very prudently avoided the riskier sub-prime and speculative types of loans the past five years, thus foregoing earnings, will severely impact smaller banks earnings by a far greater percentage than the Too Large To Fail banks. The very large institutions that have created and fueled this systemic crisis should be allowed to fail and be absorbed by the balance of the healthy institutions. At best, if any of these Investment or Mortgage or Too Large To Fail banking institutions should be retained, they should be required to pay for their resurrection by an assessment which amortizes each of their losses over a doable time period. It's too late now, but in the future the Too Big To Fail institutions should pay a systemic surcharge into the fund in addition to the regular assessment rate. Mandating this extreme of an assessment on smaller community banks who had no part in this economic malady is totally lacking in any sense of fairness, common sense and any forward thinking on the part of the F.D.I.C. It is very simplistic thinking and shows no foresight and I for one expected more from an institution with the credibility of the F.D.I.C.

Ms. Bair, you have indicted yourself in your letter of explanation trying to justify this action, of March 2, 2009, to all Bank CEOs....and I quote "...our statute restricts us from discriminating against an institution because of size." Obviously, your thinking is a one-way street, it is OK for the smaller community banks to bail out the Too Big To Fail banks but not OK to require the Offenders to pay for their greed and bad judgement. Anyone with any common sense and regard for fairness and equality can see that this is discrimination against smaller institutions that by statute the F.D.I.C. is restricted from engaging in.

Respectively,

Thomas V. Holman, President