

From: Darla Rooke [mailto:drooke@junctionnational.com]
Sent: Friday, March 27, 2009 2:32 PM
To: Comments
Subject: FDIC Special Assessment, RIN 3064-AD35

Darla Rooke
701 Main St
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March 27, 2009

Robert E. Feldman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Dear Robert Feldman:

Junction National Bank is grateful for the opportunity to comment on the FDIC's interim rule that would impose a special assessment of 20 basis points in the second quarter.

We are a small, rural, community bank that offers basic banking services with conservative philosophies. Even though our institution did not participate in the subprime debacle, we still have to pay the price for the unconscionable behavior of others. The proposed special assessment is another "burr under the saddle" and is considered excessive and undeserved.

This special assessment would impose a significant reduction in bank earnings, especially when coupled with increased regular assessments. Depending on the bank's risk category and added adjustments, regular assessments for 2009 could possibly increase more than 200% from the previous year. The bank has had the pleasure of the One-Time Assessment Credit to offset FDIC premiums in the past several years; however, this credit will soon be depleted and premiums will once again be expensed. The additional burden of the proposed 20 basis point assessment will reduce earnings further and impede the bank's ability to assist in the community.

The current budget projects FDIC expenses to represent more than 20% of the bank's net income. Given the current economic environment and this unexpected expense, the bank contemplates fewer dollars spent on discretionary expenses such as charitable contributions, sponsorship of community activities, training, advertising, employee compensation and benefits, and the list goes on. We are confronted with numerous other challenges such as declining net interest margins, tremendously low interest rates, increased loan loss provisions, customer employment disruption and increasing costs of doing business. The additional burden of unforeseen FDIC assessments intensifies the dilemmas community bankers face during this unprecedented era.

Given the impact that the proposed assessment will have on our community, and other communities such as ours, I strongly urge you to consider alternatives that would reduce our burden and provide the FDIC the funding it needs in the short term such as:

- * Eliminating the special assessment
- * Borrowing from the Treasury
- * Reducing the special assessment
- * Allowing extended amortization for the reduced assessment
- * Increasing the time-frame to replenish the fund
- * Using other sources the FDIC collects to assist in fund replenishment

Junction National Bank realizes that a strong, secure fund is essential. We appreciate consideration of our comments as you make these critical decisions.

Sincerely,

Darla Rooke, Executive Vice President
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