

March 26, 2009

Mr. Robert E. Feldman, Executive Secretary
Attention: Comments, Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C 20429

Re: "Assessments, RIN 3064-AD35"

Dear Mr. Feldman:

This letter is in response to of the Federal Deposit Insurance Corporation's announcement that they intend to impose a 20-basis-point special assessment on all domestic deposits as of June 30, 2009 to help recapitalize the Deposit Insurance Fund.

PointBank, a locally owned community bank, estimates this 20-basis-point special assessment would reduce aggregate 2009 pre-tax income by 19 percent and reduce our year-end capital approximately 3 percent. This increase in FDIC's assessment would be a 386 percent increase in premiums from 2008.

Over the years, PointBank has been diligent in improving the banks performance in originating loans to meet the credit needs of all segments of the communities it serves. We have opened several branch bank facilities and automated teller machines (ATM's) to accommodate these improvements. Obviously, this investment in facilities and equipment has leveraged the Bank's capital. A special assessment will only further leverage its capital. The special assessment will impair PointBank's ability to help foster economic recovery in our local community and further exacerbate the current economic downturn. PointBank prides itself in being able to provide excellent customer service and banking products at reduced prices. Unfortunately, this special assessment will increase the cost of doing business which will eventually be paid by the Bank's consumer and business customers.

The Community Banks like PointBank did not participate in the risky practices that led to the economic crisis, yet they are being penalized by having to pay this onerous special assessment on top of regular assessments that are more than twice those of last year. The community banking industry is the bright spot in this current economic storm. The vast majority of community banks are well-capitalized, common-sense lenders that have been and want to continue to help in the economic recovery process in our cities and towns. This special assessment will only hinder their ability to do so.

Mr. Feldman

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There are many alternatives the FDIC should explore in order to replenish the deposit insurance fund prior to imposing a special assessment, including using its existing authority to borrow from the Treasury, issuing debt instruments to the public or using its authority to borrow from the banking industry. The deposit insurance fund would still be industry-funded if the FDIC used its borrowing authority, but the industry would be able to pay the cost of recapitalizing the fund over time.

Another alternative to replenish the deposit insurance fund would be for FDIC to consider assessing the special assessment on the basis of total assets (minus tangible capital), not total domestic deposits. This would cause the banks that created the problems to pay a larger share of the assessment. If the FDIC is adamant about assessing the special assessment, then PointBank would ask that members of congress change the accounting rules to allow banks the opportunity to amortize the special assessment over a period of years.

Finally, the FDIC should consider a systemic-risk premium for the large, “systemically important” banks. This premium should be large enough to pay for the substantial risk of insuring these institutions. During the time the FDIC is giving consideration to the appropriate insuring premium for these banks they should also give strong consideration to eliminating banks that are “Too Big To Fail.”

In addition to the community banks like PointBank being unfairly penalized, it should be noted that many of the failing large banks have received tens of billions of dollars of TARP money. They use these taxpayer funds to pay the insurance premiums and offer \$150.00 bonuses to customers for opening \$100.00 deposit accounts.

Your consideration of these comments will be appreciated.

Sincerely,

J. Raymond David, Sr.
Chief Executive Officer