



Blackhawk State Bank

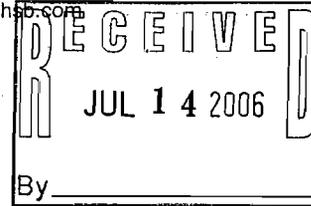
301 WEST FOURTH STREET • P.O. BOX 1100 • MILAN, ILLINOIS 61264-1100



PHONE: (309) 787-4451
FAX: (309) 787-7564
<http://www.bhfb.com>



Robert E. Feldman, Exec. Secretary
Attn: Comments
FDIC
550 17th St, NW
Washington DC 20429
July 5, 2006



RE: RIN 3064-AD08 - One time assessment credit

Dear Sir or Madam:

I would like to comment on your proposed rules for one time assessment credits, specifically on how the FDIC should define a successor entity. It is my understanding that you are proposing to limit “successors” to a merger of an entire banking entity and exclude any branch purchases or purchases of deposits. While this may have been a useful definition in past circumstances, it does not seem just or equitable for the purpose of this one time credit. I think it would be much more reasonable and fair to have the assessment credits follow the deposits to wherever they are now. Thus, if a bank purchases a branch of another bank or a certain volume of deposits from another bank, those credits should flow through to those purchasers. FDIC insurance deposit premiums have historically been tied to actual deposits—not to total assets, not to total loans, and especially not to charters. If the deposit premiums were paid on the deposits themselves, then the refund of those assessment credits should flow back to the buyer of those deposits upon which the assessments were paid.

In the 45 year history of our bank, we have both bought other banks and bought branches of other banks. How we acquired these new deposits did not change how we had to pay deposit premiums. There was not one assessed rate on deposits acquired through a whole bank purchase and a separate rate for deposits acquired by a branch purchase. No distinction was made at that time. Deposits were treated the same and assessed the same uniform rate by the FDIC for that institution.

In 2001 we purchased three branches from Old Kent Bank. Old Kent no longer exists. When we purchased the deposits from those three branches, both parties agreed that we, the purchaser, were buying the entire deposit account and everything that came with it. That meant we had to produce monthly statements, clear checks, provide year end tax reporting information (even for that portion of the calendar year that we did not own the deposits), etc. With this purchase of deposits, we received signature cards, historical account transaction information, and the legal liability to pay out these funds to



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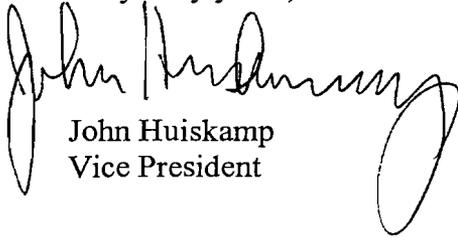
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customers if they wanted to withdraw money from their accounts. From the day of the purchase forward, if there were to be any FDIC insurance premiums assessed on these deposits, they would be our responsibility and not the responsibility of the seller. In short, when we bought and assumed these deposits, we assumed everything including, I believe, the right to a refund of any premium paid on these specific deposits that we are now servicing. That is why I think Congress gave FDIC flexibility in determining how these assessment credits would be allocated and did not strictly define "successor."

Thank you for your attention in this matter.

Very truly yours,



John Huiskamp
Vice President