

**From:** Fernando A. Capablanca [mailto:fcapablanca@ucbmiami.com]  
**Sent:** Thursday, November 13, 2008 3:32 PM  
**To:** Comments  
**Cc:** Miguel Rishmague  
**Subject:** FW: RIN # 3064-AD37

Dear Sir or Madam:

Union Credit Bank is a state-licensed bank supervised by the FDIC and the State of Florida Office of Financial Regulation. We have been open since 2001 as a small community bank, principally serving South Florida.

Union Credit Bank had no senior debt outstanding and no fed funds purchased as of 09/30/2008. However, we did have approximately \$10 million in back-up, uncommitted lines of credit from different banks in Miami. These lines were part of our contingency funding program. As a result of the financial crisis, these lines are no longer available to us and, for this reason, we requested a guarantee from the FDIC under TLG Program. The guarantee would enable us to reinstate these lines.

In accordance with procedures in your Guidelines 12CFR Part 370.6(d), we would like to offer you the following comments:

1. The guarantee from the FDIC should be issued in blanket form indicating only the amount you are willing to guarantee. In this manner, we may negotiate rates and conditions with individual banks.
2. Ordinarily, banks have these back-up lines without limitations as to the total amount it can negotiate. However, if a cap is to be established, it should be based on the total deposit base of the institution, and not necessarily on Capital as it would then benefit the largest banks to the detriment of the small community banks.
3. The most critical part of the program is the 75 points assessment being requested by the FDIC. We firmly believe that this assessment fee should be based **only on the amount used and from the period of time the lines will be used. It would be totally counterproductive and extremely costly** to banks if the FDIC were to charge 75 basis points for a guarantee which may or may not be used. Such a fee would then become a "commitment fee" and would make the cost so high that banks such as ours would be forced to reject such guarantee.

I firmly believe that the Treasury Department and the FDIC and other regulatory agencies are doing a very good job in dealing with the financial crisis facing our country, and sincerely hope you will take these comments into consideration when drafting final rules.

Sincerely,

Union Credit Bank, Miami, Florida

Fernando A. Capablanca

President & CEO



**The little bank that does.**

Fernando A. Capablanca  
President & CEO  
Union Credit Bank  
1150 South Miami Ave.  
Miami, FL 33130  
Tel: 305-398-9000  
Direct Line:  
fcapablanca@ucbmiami.com



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