



November 7, 2008

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

RE: Comments – RIN 3064-AD35

Dear Mr. Feldman:

On behalf of the Virginia Association of Community Banks, I appreciate the opportunity to comment on the FDIC's proposal to increase deposit insurance premiums. Our member banks are the locally-owned-and-operated banks doing business in large and small communities across the Commonwealth. And, although Virginia's community banks did not engage in risky and sub-prime mortgage lending, they have nevertheless been affected by the resulting financial turmoil.

It is because of these extraordinary economic times being experienced by our members that we urge caution in adopting this proposal at this time.

Provisions of the regulations would increase deposit insurance premiums and levy even higher premiums associated with the use of Federal Home Loan Bank advances. These proposed increases would make lending money more expensive, just at a time when the goal is to lower the cost of borrowing. We see this proposal as counter-productive and believe it would impede efforts to rejuvenate lending by our member banks.

Advances from the Federal Home Loan Bank are a vital source of liquidity and risk-management for our members. These advances provide community banks with safe, reliable and low-cost funding. We encourage you to carefully reexamine the proposal and postpone establishing a new premium schedule, until the end of next year.

Thank you for the opportunity to submit these comments and we appreciate your consideration of our viewpoint.

Sincerely,

A handwritten signature in cursive script that reads "Pat Satterfield".

Patricia G. Satterfield
President & CEO