

November 10, 2008

Robert E. Feldman
Federal Deposit Insurance Corporation
550 17th Street NW Attention: Comments/RIN 3064-AD
Washington, DC 20429

Dear Robert Feldman:

As a Florida banker, I would like to comment regarding the FDIC's proposal to increase deposit insurance premiums. We appreciate the opportunity to address the issues raised by this request for comment. These are extraordinary economic times, and it is important to make sure that sound policy choices are implemented.

The recent adoption of the \$700 billion economic stabilization plan had one central theme: freeing up credit and preventing this country from suffering an economic shutdown. The goal was to make sure that the needs of Main Street were addressed along with those of Wall Street.

In these times, the FDIC should not disrupt the business practices of healthy institutions. Government officials and commentators agree that liquidity risk is the most significant challenge facing the banking industry today. It is vitally important not to harm the institutions that provide liquidity, which often are institutions so important to Main Street.

Instead of adopting this proposed rule, we believe the FDIC could better achieve its policy goals by taking these steps: The FDIC should utilize its extraordinary circumstances authority to extend the time period to rebuild the FDIC fund from five to ten years. This will limit unnecessary stress on insured depository institutions.

The FDIC should establish new premium schedule at the end of 2009. This is a more prudent timeframe to establish a new premium schedule given the current environment and the temporary emergency actions taken by the government that will expire in 2009.

Advances from Federal Home Loan Banks are a vital source of liquidity for our members. FHLBank advances provide banks with access to reliable and stable low-cost funding. For many banks, FHLBank advances are the lifeblood of their credit. This helps our banks serve the credit needs of their communities, support homeownership, and assist local community development. Anything that would penalize the use of advances would thwart the efforts by the Treasury, Congress and the Federal Reserve to restore liquidity to the credit markets.

Certain provisions in the regulations would increase deposit insurance premiums and levy even higher premiums associated with the use of FHLBank advances. These proposed increases would make lending money more expensive just at a time when the national goal is to lower the cost of borrowing. It would be counterproductive, in this economic atmosphere, to make it harder for banks to function by raising their cost of doing business. Many institutions would extend less credit in their communities, which would harm those communities and the broader economy as a whole. We encourage you to carefully reexamine this proposal and withdraw the proposed higher premium on the use of FHLBank advances.

Thank you for the opportunity to comment about the proposed FDIC regulation.