From: Kerry Ness [mailto:KNess@businessbankmn.com]
Sent: Wednesday, September 30, 2009 12:56 PM
To: Assessments
Subject: Comment to FIL-58-2009

We generally support the proposed rule described in FIL-58-2009. See comments below.

1. No, we prefer the prepaid concept and do not support special assessments.

2. No.

3. No, mandatory is preferred for fairness among all insured banks.

4. Yes, the rate of growth estimate should be different than 5%. We would prefer no (0%) deposit growth assumption. The banks that grow faster would realize a benefit and those that grow slower OR LOSE DEPOSITS would be harmed.

To equalize the potential unfairness of a 5% growth assumption, we would suggest two mutually exclusive alternatives:

One, we would support a provision that requires FDIC to pay interest on prepaid balances. This would serve as an equalizer - those that paid too much prepaid assessment based on actual deposit growth would reap more interest income than those that paid too little.

Two, a payment (or refund) of the difference between a quarter's actual assessment and the calculated prepaid amount could be made each quarter. This would also serve to eliminate any residual prepaid balances beyond 2012.

We generally agree with the rate assumption, however, there should be a provision for banks who slip from Category I that they must increase their assessment payment currently.

5. No, the periods are fine.

6. No.

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