
From: Bruce Sowalskie [mailto:BSOWALSKIE@nubk.com]

Sent: Monday, March 09, 2009 11:49 AM

To: Comments

Subject: FDIC special assessment

As the Senior Loan officer of a \$200 million community bank I feel it is extremely important that community banks not be unfairly penalized through the proposed increases in FDIC insurance and special assessments. There needs to be a separate FDIC insurance treatment for community banks as compared to the bigger banks. We did not nor do we engage in the high risk business practices that have contributed to our county's economic woes. Nor have we purchased the toxic assets that Wall Street institutions created and rating agencies rated as "investment grade securities" that have enabled the abuses in residential mortgage lending practices to take place. We approve and hold residential mortgages on our books for customers in our communities. We underwrite those loans to standards that we believe our customers can afford. Our ability to continue to lend money is crucial to our nation's economic recovery. The combination of increased FDIC premiums and special assessments will severely limit our ability to help in that effort. Those potential added costs represent one third of our 2008 earnings. We are required to maintain a ratio of capital to assets in the vicinity of 7.5%. If, based on the proposed premium increases and special assessments, we have to pay out \$450,000 of capital for it will mean that we have lost the ability to grow by \$6,000,000. Our bank has grown by over \$60,000,000 the last 5 years and most of that growth is represented by consumer mortgage loans and loans to small businesses that provide jobs to people in our communities. We will not be able to sustain that growth if our capital is taken away. This action will harm the very institutions that are best prepared to contribute to solving the problems others created. I strongly urge you to consider other alternatives to solve this problem. Perhaps you should eliminate the tax exempt status of credit unions that compete for all the same business we do but do not pay taxes. They have long ago exceeded their basic charter.

Bruce F. Sowalskie
SVP/Senior Loan Officer
National Union Bank of Kinderhook
567 Columbia Turnpike
East Greenbush, New York 12061
Phone 518.479.1894
Fax 518.477.5964
www.nubk.com