
From: Becky Berning [mailto:bberning@firststatebanksw.com]

Sent: Monday, March 09, 2009 11:28 AM

To: Comments

Subject: Re: Assessments, RIN 3064-AD35

As an employee and officer of a community bank in Minnesota with assets of \$162,000,000 I am writing to you asking you to consider the impact that the special assessments will have on the locally owned community banks struggling in this economy. If our bank has to pay the assessment that is proposed, it will cut into 40% of the bank's projected profit for the year and reduce the ability to make loans to our customers.

The bank is very conservative and did not participate in any of the risky practices that led to the current economic crisis and now the bank has to pay for the decisions made at the banks in trouble. Our bank's Asset Liability Committee discusses on a monthly basis the bank's current condition, the bank's capitalization and the liquidity of the bank. I believe the bank has a very strong Senior Management and Board of Directors and they are very conscious of the economic condition of the country and they make very strong and conservative decisions.

If the bank is assessed this projected assessment, it will use the money that would otherwise be used to lend to our customers. I hear on the national news that banks need to lend money to consumers and businesses to jump start the economy, but how can we when we have to save up to pay this assessment? I do not want to see our bank fail because of the big bank's mistakes.

I am a strong believer in FDIC insurance to protect our customers and this must continue but why does a community bank that operates a profitable bank with a strong customer base pay for other's mistakes. I would support broadening the assessment base to include total assets (minus tangible capital). This would assess the banks that hold a larger share of total banking assets than domestic banks.

I would support a change in the accounting rules to allow the opportunity to amortize the special assessment over a period of years. I feel the large "systemically important" bank should be assessed a systemic-risk premium and that it should be large enough to pay for the substantial risk of insuring these institutions.

Why has the large banks that have received tens of billions of dollars of TARP money and not they will have the ability to use these taxpayer funds to pay this premium? I do not agree with this.

I feel the FDIC should explore all alternatives for funding the DIF in lieu of the special assessment, such as using the existing authority to borrow from the Treasury, issuing debt instruments to the public or using it's authority to borrow from the banking industry. Please examine all alternatives thoroughly and please consider community bank's input.

Please consider the impact of this assessment it will have on the community banks that strive to be profitable and be a strong asset to their communities.

Thank you,

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