

From: Courtney Olson [mailto:Courtney.Olson@NSCOMBANK.COM]
Sent: Monday, March 30, 2009 12:34 PM
To: Comments
Subject: Assessments, RIN 3064-AD35 -Comment Letter on FDIC's ProposedEmergency Special Assessment

Dear Robert Feldman,

As a Commercial Loan Officer for a mid-size community bank I am strongly apposed to the special assessment that is being proposed by the FDIC. This assessment will be detrimental not only to my bank but other community bank's of similar and smaller size. The FDIC has already DOUBLED insurance premiums for 2009 effecting the bottom line and a special assessment will decimate earning further for all banks. This will also effect the capital at this time, when the economy needs banks to be making more loans, the proposed assessment is self-defeating. Funds paid to the FDIC cannot be leverage to support new lending and in fact will reduce lending. This is totally counterproductive to the government's efforts to encourage more lending. This also seems to me to be a punishment on smaller institution, when it is the larger banks that caused this situation and are the ones receiving financial aid from the government. My bank, like other community banks, will not be receiving any TARP funds, yet the FDIC finds it necessary to deplete our capital.

One alternatives to the proposed assessment would be to tap into the \$30 billion line of credit available to the FDIC in extraordinary situations and if this is not an extraordinary times I don't know what is. The credit line is meant to serve as a "bridge" if the DIF becomes too low. It should be allowed to serve that purpose first, after which the industry could be called upon to expedite replenishing the fund. It is senseless to severely deplete the entire banking industry's earnings and capital base overnight when it is not now and may never be necessary to expedite premium payments. Another suggestion would be to borrow from the industry in the form of convertible debt similar to the strategy used during the savings and loan crisis.

I urge the FDIC to reconsider the proposed special assessment.

Thank you for your time.

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