
From: Larry Maschhoff [mailto:lmachhoff@bankofillinois.com]
Sent: Friday, March 06, 2009 10:07 AM
To: Comments
Subject: FDIC special assessment - Assessments, RIN 3064-AD35

Dear Sirs, I am totally opposed to the large increase in FDIC premium assessment just announce of 20 points. I was on the conference call with Chairman Blair and she indicated that we should comment wither the assessment should be on deposits or assets. In my opinion it should be on total assets to capital. All of the large banks pay a much smaller FDIC insurance premiums than community banks when you compare asset sizes and as we have seen they have are to big to fail and have been given massive amounts of government assistance in the past year. They should pay a higher FDIC premium because they are to big to fail since they are receiving 100% guarantee from our federal government.

This increase of an additional 20 points special assessment will severely limit our ability to absorb our current customers economic problems. We are increasing dramatically our loan loss reserve this year in anticipation of additional loan problems brought on by the current economic recession. This assessment will not allow our bank to increase our loan loss reserve to a level we feel appropriate given the current economic problems. This large increase will hurt our ability to cope with the current economic situation and I know it will hurt many other banks ability to manage through these times.

I spoke with our primary regulator yesterday about Chairman Blair's comments that the examiners would not consider the special assessment in their earnings review and the Federal Reserve Bank of Chicago indicated they they have not received any information about not that and they would be using special assessment in our banks earning assessment.

I believe the FDIC should explore the possibility of using a bond issue like the FICO or REFCO bond issues of the 80's to increase the insurance fund now and have a smaller annual assessment to pay of the bond over al longer time frame. This would help the earnings in our industry which need earning so badly.

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