
From: Greg Funkhouser [mailto:gfunkhouser@rabuncountybank.com]
Sent: Friday, March 06, 2009 1:29 PM
To: Comments
Subject: FDIC Assessment increase

I appreciate the opportunity to comment on the FDIC's interim rule that would impose a special assessment of 20 basis points in the second quarter. I also want to commend the FDIC for the decisions up to this point that have maintained consumer confidence through the current economic environment.

I have been a community banker in Georgia for almost 30 years with the same organization. I must say this is the most challenging time of my career; however, I am confident that our organization will be fine. I believe we, as an industry, will be turning the corner soon. What has made it so challenging for the industry has been multiple hits from non-performing assets, liquidity, capital shrinkage, ever narrowing margins, managing reputation risks, as well as risks in the investment portfolio and having virtually no market to invest excess funds other than 25 basis points in Fed Funds.

The vast majority of community bankers such as ourselves are committed to our staff and our communities to work through these challenges. For the majority of community bankers the work we do is more than a job, it is a true sense of obligation to our employees, communities, and the FDIC and to do the right things for those constituents.

There are weaker banks that will fail regardless of an increase in the FDIC assessment. The banks that must be considered are the ones that have a chance of survival and who will be greatly affected by this increase. To take so much capital out of the system now while we are still working through the current challenges can actually add to the very problem for which the FDIC requires funding. As an industry, our premiums increased to cover the Savings and Loan losses in the 1980's. We will have to pay for this, but there will be a more prudent time to do so. We need time to recover earnings, strengthen our capital positions and weather this storm. This will position us to serve our communities now and particularly to provide prudent lending to help meet the credit demands that are necessary for economic growth. We do not want a government bailout. We need all parties involved government, regulators, to accounting firms to work collectively and think through their decisions in such a way for the good of the industry and its ultimate survival.

At a minimum, please defer the FDIC's increased assessment until a time of stabilization. There has to be a better alternative to support the fund now. For the banks with commitment and integrity we will survive while helping our country through this crisis.

Thank you for your consideration.

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