
From: Kevin Mullins [mailto:kevin@farmersandminersbank.com]
Sent: Friday, March 06, 2009 11:25 AM
To: Comments
Cc: estep@farmersandminersbank.com; 'Ronnie Montgomery'; 'Regina Gilley'
Subject: Opposition to FDIC Special Assessment

Dear Sirs:

Please accept this letter as a community banker's response to the FDIC's decision to impose a crippling 20-cent special assessment (with the possibility of greater assessments on the horizon) on Farmers and Miners Bank and the nation's 8,000 other community banks.

We have now come to the point where the banks holding the financial market together on Main Street must deteriorate their condition to, along with the nation's taxpayers, bail out Wall Street. We worked for years making sound investment and credit decisions while the mega-bankers down the street disparaged us for a "lack of real growth and vision". We were happy to take the scraps and leftovers from the "big deals". These are our customers – the honest, hardworking Americans that live from paycheck to paycheck and pay their bills. We worked with our customers. We verified income, checked credit and counseled them on financial decisions. We also watched as the banks down the street posted the ever growing stock price on the scrolling board. We knew the teaser rates and stated income/stated asset programs would implode at some point. Still, we kept to our foundation. Now we are being told that part of our foundation must be used to support the banks down the street.

The very banks capable of dragging this country out of our economic turmoil, the banks that are doing all they can to give Main Street America a hand up, got the back of the hand from their own government on the same day that Citi was getting a hand out! And AIG got another \$30 billion helping of taxpayer money. We played by the rules and now we're getting punished by it. By my rough calculation, the special assessment will equate to approximately 19% of our net profit for 2008 will be used to bailout Wallstreet.

Does the FDIC reserve fund need to be maintained? Do we need a strong FDIC for public confidence in our deposit system? Yes, obviously, we do. However, there are other courses of action that could be pursued. The FDIC could change the assessment based upon which premiums are calculated to bring more equity to the assessment process. The FDIC could vigorously push Congress to enact legislation to allow it to levy a special assessment on the largest "systemic risk" firms. The FDIC could tap temporary funding from the Treasury (like the big Wall Street firms are doing by the bushel basket full) to re-capitalize the insurance fund, giving Main Street banks time to strengthen their balance sheets and allow local lending activities to continue (and grow) to help our struggling economy recover, rather than constrict lending further by imposing a painful new debt obligation on already burdened balance sheets. In the interim, we will continue to play by the rules and do our part.

Very truly yours,

Kevin W. Mullins

Farmers and Miners Bank, EVP & COO

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