
From: Mark R. Whalen [mailto:Mwhalen@NeedhamBank.com]

Sent: Wednesday, March 04, 2009 12:17 PM

To: Comments

Subject: Assessments RIN 3064-AD35

It is my view that the FDIC special assessment of 20 basis points, with the potential for more later, unfairly shifts deposit insurance risk to banks that have little to no risk. This flat assessment suggests that all banks are equally culpable for the state of the deposit insurance fund and are equally responsible for protecting much riskier institutions. Some financial institutions are clearly viewed by some governmental agencies as more important than others and have received massive government assistance. Mega profits made by insured depository institutions in recent years through unsafe and unsound lending practices have given way to the current state of the deposit insurance fund. These large banks built an unsustainable engine that stripped equity from their institutions and led the rapid descent into financial trouble not seen since the great depression. The increase in deposit insurance limits to \$250,000.00 per account, though possibly temporary, puts further strain in the insurance fund. That the burden to shore up the fund now falls largely to the community banks that had nothing to do with the cause of the problem seems very unfair. To take funds from banks that are doing their best to fund loans during the current credit squeeze seems counterproductive to say the least. Further, the drain this will cause at many small, community banks may put their very existence into doubt in the long run. Finally, I do not agree with Chairman Bair's assertion that there was no other choice than to impose the assessment. I urge the FDIC to work with the American Bankers Association and the Independent Community Bankers of America to find a more equitable solution to the problem of replenishing the deposit insurance fund.

Thank you. ***

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