



# PATRIOT BANK

*A Revolution In Community Banking*

October 28, 2009

Robert E. Feldman, Executive Secretary  
Federal Deposit Insurance Corporation  
Delivered Via Email: [comments@fdic.gov](mailto:comments@fdic.gov)

Subject: FDIC Prepaid Assessment Proposal

Dear Mr. Feldman:

I am writing to object to the approach that the FDIC has chosen to take regarding recovering sufficient reserves for ongoing support of the deposit insurance fund. As a community bank, we at Patriot Bank think it puts an undue burden on smaller institutions to require a three-year advance assessment. Further, applying that assessment to each bank based on their current rating for the entire three years is also an unfair application of the ruling.

We request that these funds be recovered from the largest banks at a higher multiple since it was their arrogance and inappropriate risk taking that was the primary trigger of the current crisis. Additionally, they have received the most help, yet we, the smaller banks, are carrying a disproportionate load of the resolution. Frankly, we think small banks should be exempt from this ruling, or at least have our share substantially reduced.

As you are aware, many small banks are struggling to make a profit, to retain adequate capital and liquidity. Our capital raise efforts are crucial to our ongoing success, yet having to provide this significant outflow diminish our profitability and liquidity, which are material factors in influencing further investment from shareholders and non-shareholders alike.

A further detriment to banks who are adversely rated is that we must pay the assessment for the entire future three years at the current adverse rating, even though actions are being successfully undertaken which will improve that rating and thus, otherwise would have reduced our future years assessments. This is entirely unfair and we implore you to make provision to alter this inequity.

We fully understand the need to maintain the financial strength of the FDIC. We want to do our part, but the approach taken is unfair. We strongly request that this decision be reevaluated and applied appropriately to each institution in proportion to it's contribution to the problem, the amount of financial support it has received from the Treasury and with flexibility as to assessment level in the event of its improved operation in subsequent years.

Sincerely,

Larry M. Starnes  
President and  
Chief Executive Officer