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**From:** Brent Woodruff [mailto:bwoodruff@pilgrimbank.com]

**Sent:** Wednesday, March 04, 2009 12:26 PM

**To:** Comments

**Cc:** info@icba.org; Lanny Brenner

**Subject:** FDIC Special Assessment

**Importance:** High

We would like to voice our opposition to the 20bps 1X special assessment.

We operate in 5 rural Texas counties. We believe this assessment will hurt our consumers and businesses with \$32 million less lending opportunities. I have attached a spreadsheet using FDIC data to document how I arrived at this number. This is at a time when nationally government officials are asking for bank to lend more. If we did nothing, this will impact our banks by approximately 30% of our projected pretax income. If we are proactive, this action will cause a reaction of loss of jobs, lower deposit rates and higher loan rates from our bank as we try to mitigate this large expense. Our proactive reaction will, in our opinion, will be copied throughout the nation as banks are pressed to build equity and increase or improve earnings.

We do not want the FDIC to fail and we understand the huge job before you. But we think that it is unfair for our banks, Pilgrim Bank and Pilgrim Bank Texas, that have been insured by the FDIC for more than 50 years and have tried to play by the rules to pay for the recklessness of large banks or banks opened within the last 5 years. We want to continue with the insurance and we want the FDIC to survive. We would propose alternative as follows:

- FDIC increase their line of credit with the Treasury
- FDIC to use their line of credit with the Treasury to cover the shortfall in 2009
- Allocate TARP money to the FDIC rather than direct investments into banks.
- Assess banks or wipe out marginal (CAMEL 5) banks equity opened in the last five years and apply the equity to the FDIC penalizing owner's that took the greatest risk,
- Charge larger banks over 10 billion in asset size and TARP banks a much higher fee
- Gradually build the reserve over the next 3 years.

We would welcome your comments.

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