



The Merchants & Citizens Bank

"The Bank You Can Count On"

FDIC

March 30, 2009

Robert E. Feldman, Exec. Sec.
Federal Deposit Insurance Corp.
550 17th St., NW.
Washington, DC 20429

Re: Assessments, RIN3064-AD35

Mr. Feldman:

I am submitting this comment letter regarding the FDIC's interim rule imposing a 20 basis point emergency special assessment on all domestic deposits as of June 20, 2009. As I understand, this special assessment would be in addition to the regular assessment for 2009. Further, there is an even greater danger that subsequent assessments of up to 10 basis points could be assessed each quarter thereafter.

Although FDIC has indicated it "could" reduce the special assessment from 20 basis points to 10 basis points if Congress passes legislation increasing the borrowing authority of the FDIC, I wish to be clear that a 10 basis point assessment would be a staggering sum due to the current economic downturn. Additional future assessments would have the same negative effect! One can only imagine the extremely negative impact these assessments would bring to small community banks like The Merchants & Citizens Bank in McRae, Georgia!

Banks in this area are struggling as is. I understand the importance of maintaining a sound deposit insurance fund and support the goal of the FDIC in that regard. However, the special assessment will unfairly and disproportionately affect our Bank. Most of the problems in our banking environment were created by large banks that destabilized our economy with risky practices and I fail to see why small community banks should be the main object of punishment for the sins of others.

I strongly urge the FDIC to explore any and all alternatives for its funding needs in lieu of a special assessment. It is a matter of survival for small banks!

Sincerely,

Eddie T. Selph
President