



What do you see?

March 12, 2009

Wayne A. Cottle
President

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Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

Re: Assessments RIN 3064-AD35

Dear Mr. Feldman:

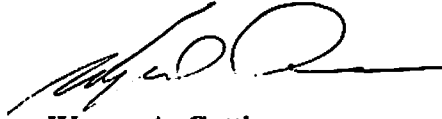
I am writing to comment on the FDIC announcement to levy a special assessment on domestic deposits as of June 30, 2009 to help recapitalize the Deposit Insurance Fund. Having been a community banker for over 30 years, I find it inconceivable that community banks like mine that play by the rules are once again being called upon to pay for the actions of others. Yes, recent community bank failures have helped to deplete the insurance fund but many of those banks failed in the wake of problems they had no part in creating. Community banks like mine did not participate in the risky activities that led to our economic crisis yet we are already paying a price every day as a result. To be penalized by this special assessment above and beyond regular assessments that are also scheduled to increase is unjustifiable.

Viable community banks are an important part of the solution to today's economic problems and the FDIC needs to explore alternatives for funding the insurance fund other than the special assessment that will hamper their ability to continue as part of the solution. The FDIC should exercise its borrowing authority from the Treasury, use its authority to borrow from the banking industry and issue debt instruments to the public rather than rely solely on the special assessment. If special assessments are imposed they should be based on total assets rather than domestic deposits so that the banks that caused today's economic problems pay the bigger portion to address the problems. The FDIC should support a systematic risk premium for the large "systematically important" banks and the FDIC should also consider the assistance provided these institutions in determining any special assessment.

A 20 bp assessment will cost my \$200 million institution over \$320,000 which will result in an earnings reduction of more than 50% this year. The ability of my institution to lend will be negatively impacted by over \$3 million impairing our ability to otherwise foster economic support by that amount in my community.

I urge that the FDIC explore all alternatives for funding in lieu of just the special assessment. Your proposal to levy the special assessment will disproportionately impact community banks hampering their ability to lend, exacerbating the credit crisis. Thank you for the opportunity to comment.

Yours truly,

A handwritten signature in black ink, appearing to read 'Wayne A. Cottle', with a large, stylized flourish at the end.

Wayne A. Cottle
President