

BLACKHAWK BANK & TRUST
301 Fourth Street West
P.P. Box 1100
Milan, Illinois 61264

Reference RIN 3064-AD35

March 16, 2009

Attn: Comments
Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Company
550 17th Street N.W.
Washington, DC 20429

Dear Mr. Feldman:

I wish to write my objection to the 20 cent per \$100.00 Special Assessment that has been proposed for all commercial banks in order to re-capitalize the depleted reserves of the FDIC. The purpose of re-capitalization is laudable...the timing and the amount on Community Banks is deplorable, and perhaps even immoral....certainly unethical.

Please remember, it was not Community Banks that created this mess. Our own bank did not make a sub-prime loan, never got involved in Alt-A loans and did not make a single Teaser Rate ARM. But we are affected. We own securities that do not have an active market...and they must be marked down. The crisis in the national housing market has caused real estate prices to decline, and this has led to the unfortunate result of foreclosures. We do not sell our mortgages into the national market, and so, we are able to work with our customers (our neighbors) in order to lessen their burden. Even so, we do have foreclosures, and we do have securities that cannot be priced and must be written down to some uncertain market value.

Remember too, the banks and investment houses that ignored sound banking practices and used off-balance sheet assets in order to create huge profits in the years leading up to the crisis have received Federal aid from The TARP, the Treasury Department and the Federal Reserve. Please remember that Merrill Lynch, Goldman Sachs, and Morgan Stanley all became Banking Companies over a weekend. How long would it take a Blackhawk Bank to become a holding company? Would it be six months or nine months. At least we can agree that it wouldn't be over a weekend. And now they are eligible for F.D.I.C. insurance and eligible for TARP bailout funds. And what about bankrupt GMAC that became a bank holding company over a weekend and eligible to receive F.D.I.C. insurance (ads on TV extolling their virtue and promising 4-1/4% interest guaranteed by F.D.I.C when rates for similar terms were under 3% everywhere in the country). Was that ethical? Is it ethical now to charge a 20 cent per \$100. Special

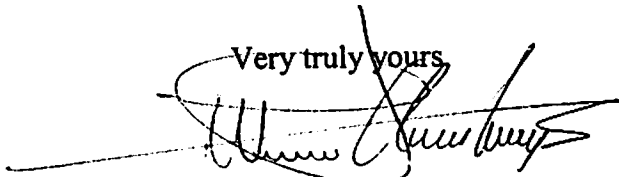
Assessment on Community Banks to bail out the banks that caused the problem. And, what about A.I.G? Is it ethical to receive over \$100 Billion in Federal aid and then see them pay millions in bonuses to their executives?

We see this happen. We cut back on our expenses. We still make loans in our local market because that is what community banks do....through good times and through bad times. We prosper when our community prospers. We won't cut back on lending. We won't take any TARP money and we won't be a casualty for the F.D.I.C. to come in and pick up the pieces. But I do state that it is unfair (maybe eve immoral) to swoop down on Community Banks with a huge Special Assessment to bail out those who caused the problem.

The Special Assessment will damage our earnings at a time that we are making every effort to build our capital and our liquidity. Other Community Banks will be hit even harder than we. Easily, this Special Assessment could be the difference between profit and loss for 2009 for many. If a Special Assessment makes more Community Banks fail, this will prove to be a senseless exercise in being prudent.

I have a better suggestion than a Special Assessment. Go to the Treasury Department and receive money from the TARP. When the crisis is over, and it will end, place a more reasonable assessment on banks, investment houses and credit unions just as was done in the 1980's Savings and Loan crises.

Very truly yours

A handwritten signature in black ink, appearing to read 'W. Gerard Huiskamp', written over a horizontal line.

W. Gerard Huiskamp
President