SOY CAPITAL
AG SERVICES

A DIVISION OF SOY CAPITAL BANK & TRUST COMPANY

March 11, 2009

Mr. Robert B. Feldman
Executive Secretary
Attn: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Re: RIN 3064-AD35
Comment Letter on FDIC's proposed Emergency Special Assessment

Dear Mr. Feldman:

I am writing to express my concerns about, and opposition to, the FDIC's proposed special assessment of 20 basis points on June 30th deposits. For the Bank I work for, this assessment in addition to the increased normal FDIC assessments will increase the deposit insurance costs in 2009 by more than $800,000 from last year. This would be about 20% of the Bank's current year's planned after tax income, a devastating amount.

Along with other profitable Banks this special FDIC assessment would cut into earnings to such an extent that it will negatively impact bank customers, employees, and the communities we serve. Many banks cannot absorb such a special assessment without losing capital, which further erodes the critical services FDIC banks provide for the economy. Even the alternatively proposed special assessment of 10 basis points would have the same damaging effect on the industry the FDIC serves.

My alternative recommendations are as follows:

1. The FDIC is seeking to triple its $30 billion Treasury line of credit, for use in extraordinary circumstances, to $100 billion. The FDIC should establish this facility with the Treasury and use it. These are extraordinary times and while the insurance fund needs to be solid, the FDIC needs to first use this line of credit before calling for an expedited replenishing of the fund that would severely deplete the entire industry's earnings and capital base when it is not needed.

2. The FDIC should borrow from the industry in the form of convertible debt. This structure, similar to the concept that was used during the savings and loan crisis with FICO bonds, is a better way to share the risk and reward of bridging the current temporary needs for FDIC. This allows those that assume the risks of funding during this time of extraordinary requirements to get paid for it rather than penalizing and constricting the entire industry.
3. The banks that have been assisted through TARP funds are the ones that should pay any special assessment. By their acceptance of TARP funds it has been shown that these institutions were the ones needing additional capital as a result of their involvement in higher risk business practices. In addition, the granting of TARP funds indicates these Banks have been determined to be able to continue in business through the oversight of their primary regulator. These are the banks that earned profits from the ill advised activities that are now requiring tax payers and other more conservative institutions to cover their losses. To place more of this burden on community banks that have not caused the problems is not only unfair, but further damages the long term economic structure of the industry. This cost should be paid by those that caused the problem.

I respectfully submit these suggestions and appreciate the opportunity to share them with you and the FDIC Board of Directors.

Sincerely,

Don McCabe

Don McCabe, President, Soy Capital Ag Services,
a division of Soy Capital Bank & Trust Co.
PO Box 426, 125 Mooney Drive, Suite 4
Bourbonnais, IL 60914

Phone: 815-936-8979