



March 16, 2009

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

Re: Assessments, RIN 3064-AD35

Dear Mr. Feldman:

First Columbia Bank and Trust Co. has been part of our local community since April 17, 1899, and we have served faithfully through booms and busts, depressions and expansions, and everything in between by acting and lending responsibly.

First Columbia Bank & Trust Co. has not been part of the economic mess our nation is facing. We continue to remain stable, actively lending, and open for business. We have watched silently from Main Street as billions upon billions of dollars have been thrown at the mega-banks and Wall Street institutions and wondered, "*Why?*".

Our bank has always been a good corporate and community citizen. We thrive and survive based on our local decisions and local commitments. We need each other—not Wall Street—and that's why we are writing to you to express our frustration with Washington. Main Street community banks did not participate in the high risk practices that led to the current economic crisis, and now we are being asked to pay for the sins of Wall Street. We are now being asked to pay (under the original FDIC proposal on February 27) a 20-basis-point special emergency assessment to help bolster the FDIC deposit insurance fund.

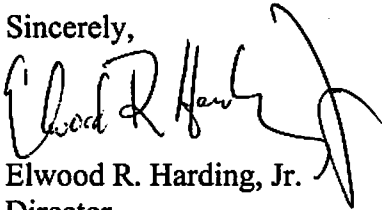
Let me be perfectly clear—we understand the importance of the solvency of the FDIC fund. We are questioning if this special assessment, reduced to 10-basis-points due to our outrage and opposition, is the best method in the midst of our current economic mess. Even a one-time special assessment has a dramatic impact on our local lending ability. In the first year alone, for example, a 10-basis-point special assessment would eliminate some \$4,125 million dollars in lending out of the hands of a typical \$500 million dollar community bank. That's \$4,125 million dollars in potential lending from just one bank. The overall loss in loans for 10 years would be a cumulative loan lost opportunity of over \$29.68 million—again, just from one bank.

In this time, when the government is screaming for increased lending, it's amazing that anyone would want to take millions and even billions of local lending off the table. You must help prevent this proposed emergency assessment. To rebuild the Deposit Insurance fund (DIF), our bank proposes that the FDIC change the structure of the assessment base and levy a systemic risk premium on the too-big-to-fail institutions that helped trigger the problems that led to the fund being depleted. Our recommendations include:

- **The assessment should be based on bank assets, not just domestic deposits**
- **Accounting rules should be changed**
- **Systemic risk premium should be levied on large banks**

Please support legislative provisions in the House that increase the FDIC's line of credit at the Treasury to further demonstrate that the full faith and credit of the United States backs insured deposits. Furthermore, please monitor Senate Banking Committee chairman Christopher Dodd's legislation to increase the agency's borrowing authority. I know all community banks are willing to work with the FDIC to find alternative ways to rebuild the DIF and we urge that all proposals set forth not ask common-sense community bankers to shoulder a disproportionate share of the burden so that we can continue to serve our customers in cities and towns throughout Pennsylvania.

Sincerely,

A handwritten signature in black ink, appearing to read "Elwood R. Harding, Jr.", with a large, stylized flourish extending from the end of the signature.

Elwood R. Harding, Jr.
Director