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To: Comments; info@icba.org
Subject: fdic assessment

Gentlemen:

The FDIC has proposed a special assessment of 20 basis points for all banks. Needless to say, I am sure that you are aware that the current problems have, for the most part, not been caused by community banks.

In some instances, the special assessment will place some banks in jeopardy. Those banks are the ones that are already having problems and their capital is very thin. Those banks have losses for the year and the extra money that the FDIC is wanting may tip them over the edge of capitalization. Thus, as a direct result of the special assessment, the FDIC will cause more banks to fail.

This idea is self defeating and I suggest that instead of a special assessment, that the FDIC obtain sufficient money from the government programs to supplement the FDIC fund. Just yesterday, the government announced that it is going into the car warranty business so there should be some funds available which has not already been spent. Surely there are some TARP, TALF or other alphabetical funds unspent from the already allocated government funds sufficient to fund the FDIC.

The bottom line is that the special assessment is going to destroy more banks that the fund was designed to protect.

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