

March 31, 2009

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

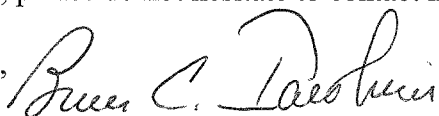
Via email: comments@fdic.gov
Reference: Assessments, RIN 3064-AD35

Dear Mr. Feldman:

I am the President & CEO of First Federal of Bucks County, a community bank located in Bristol, PA. We are writing to you today to ask that you reconsider imposing a special assessment of 20 basis points on insured deposits, payable September 30, 2009. The FDIC announced this charge on February 27th, but backed off slightly on March 5th, saying they might cut the amount in half, to 10 basis points, if Congress would increase the FDIC's borrowing line from the US Treasury from \$30 billion to \$100 billion. We believe that community banks are being unfairly penalized by this assessment burden and we urge you to seek alternatives, such as the increased borrowing line at the US Treasury, assessing larger banks a higher premium due to systemic risks, or spreading assessments out over a period of time.

Last year, we were able to increase our total loans and deposits by \$32 million and \$28 million, respectively. For 2009, we projected growth of \$29 million in loans and \$26 million in deposits. We projected our growth while maintaining a fairly constant equity to assets ratio. The imposition of a 10 or 20 basis point assessment of insured deposits would amount to an approximated expense of \$350,000 to \$700,000 that would reduce our equity capital by \$230,000 to \$460,000. This could lead to a loss in our lending capacity of \$2.3 million to \$4.6 million in loans, assuming we held to our planned capital ratios. We are actively pursuing the goal of increased lending to individuals and businesses to do our part to help Bucks County's economy. At the same time, the FDIC is proposing to charge an unusually large fee to bolster the FDIC insurance fund, which has been depleted by large banks who contributed to the crisis that we are in. Community banks did not cause this crisis and we should not be penalized as if we did.

We ask that you work for an increase in the FDIC's borrowing capacity at the US Treasury and seek alternatives to this burdensome assessment being charged all at one time. If you have any questions, please do not hesitate to contact me at 215-788-3344 x 152.

Sincerely, 

Bruce C. Iacobucci,
President and Chief Executive Officer
118 Mill Street
Bristol, PA 19007