
From: Butler, Laura Beth [mailto:lbutler@firstcitizens-bank.com]
Sent: Thursday, March 05, 2009 3:23 PM
To: Comments
Cc: info@icba.org
Subject: Comments on proposal

Dear FDIC:

As the Chief Financial Officer of a successful community bank, I was very disappointed to read the proposal of an emergency 20 basis points assessment on the entire banking industry by the FDIC. This year in 2009 we already face numerous challenges including direct and indirect factors that have the potential to adversely impact earnings. The projected premium expense for 2009 is in excess of 25% of our 2008 net income. Such a significant premium requires us to absorb such an expense in areas that trickle down to our employees, our customers, our communities and our shareholders. We will have to absorb this expense in the form of reduced contributions to worthy organizations that depend on the support of community banks like us. It requires us to consider and likely implement reductions in employee benefits and possibly staffing, again penalizing those who work hard and do the right thing. It impacts our ability to make new loans and to pay interest to customers for their deposits. It hurts our shareholders who invested in our traditional community bank not Wall Street.

We agree with Camden Fine, President and CEO of the Independent Community Bankers of America, when he says this sharp increase in premiums "will be detrimental, especially to the community banking industry, which will share a disproportionate burden of that increase." We and most other independent banks did not participate in the sub prime lending and other greedy and high-risk practices that led to the turmoil of today's financial markets. We have and continue to lend money using conservative credit risk management practices of lending to customers with a good history with our bank, good credit standing and an ability to repay. Our bank made a profit last year, and we have not taken any government funds. Most community banks are in this same position.

I agree that FDIC insurance plays a critical role in public confidence of the banking system. However, it seems that alternative measures should be considered further as pushing earnings and capital lower in 2009 for **ALL** banks as a result of these excessive assessments will likely do little to help customer or investor confidence in any institution. We expressly request that your efforts continue to work for alternatives that are less burdensome for community banks.

Your consideration is greatly appreciated.

Sincerely,

Laura Beth Butler
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Bank at www.firstcitizens-bank.com

First Citizens National Bank
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