
From: Ellen Mills [mailto:emills@bankofthebluegrass.com]
Sent: Thursday, March 05, 2009 3:58 PM
To: Comments
Subject: RE: One Time 20 Basis Point Assessment of FDIC Insured Institutions

To Whom It May Concern:

I wish to register the strongest possible opposition to the 20 basis point assessment on FDIC insured Institutions. This one time assessment will cost our bank in excess of \$382,000. This fee will be in addition to the increase in our premiums which have already increased from \$38,000 to \$139,000 and are projected to increase to \$172,000 quarterly under the FDIC premium increase proposal. These combined amounts represent **over 100%** of the bank's entire 2009 fiscal year projected profits and will severely affect our ability to lend money in our community at a time when the federal government is pleading with banks to make responsible loans.

The proposed assessments are unfair because they do not take into consideration the excessive risk caused by the largest financial institutions. The government has rewarded these "Too Big to Fail" Institutions by propping them up despite their risky practices. (It is ironic to think these efforts may not be enough and these risky institutions may fail anyway.) Now community banks are being hit again by being asked to replenish the fund which bailed out our "Too Big To Fail" competitors. Community banks are the ones who drive local economies by lending in our communities and follow the rules of sound lending practices. Community banks should be encouraged and not punished which will be the result of the assessment if it passes as proposed.

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