
From: Steve Meyers [mailto:smeyers@merchantsnational.com]
Sent: Thursday, March 05, 2009 4:03 PM
To: Comments
Subject: FDIC Special Assessment

Dear Ms. Bair:

Based upon the proposed 20 basis point emergency assessment, the financial impact our bank would be a reduction of pretax-income of approximately 15% and would reduce our capital by approximately 1.5%.

While this would not impact our ability to lend, it does impact other business decisions facing the bank. Do we move forward with the pending marketing proposal from the local small business owner, (i.e., 12 employees) or not? Do we make our normal contributions to local non-profits this year, who need it now more than ever? How much do we contribute to our employee's profit sharing plan? What level of dividends can we afford to pay? Do we hire an employee, who may currently be unemployed?

While I fully understand the need for the special emergency assessment, why should a \$135 million community bank, or any other well-managed community bank, pay for the willful misdeeds of a few? Consideration to an alternative calculation must be given to those banks that did not participate in the unsafe and unsound practices of a few that has brought us to this unfortunate point in history.

If a special assessment is to be levied against the one of the key cogs in our country's financial machine, the community banks, please be reasonable with the assessment and the period of time that the assessment is to be paid over.

I recall the FDIC "One Time Credit" was assessed over a period of time. If a special assessment is to be, why not follow the same path as that was taken previously with the one time credit?

In closing, I saw the MSNBC town hall meeting last week with host Jim Cramer. Towards the conclusion of the program a participant asked you, Ms. Bair, if the depositor would be asked to shoulder the burden of increased FDIC fees on the banks. I don't recall specifically what your answer was, but it was to the effect that the depositor shouldn't have to. Well at the end of the day, shareholders, depositors and the local communities will shoulder the burden, directly and indirectly.

I know that you and your staff have an enormous task in front of you.

I appreciate the time you have given to my thoughts on this matter.

Sincerely,

Stephen A. Meyers
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