
From: Gregory R. Hohl [mailto:greg@wahoostatebank.com]
Sent: Thursday, March 05, 2009 3:03 PM
To: Comments
Cc: 'info@icba.org'
Subject: Assessment increase

Dear Chairman Bair,

I participated in the telephone conference call with the ICBA leadership and very much appreciate your willingness to directly discuss the special assessment issue with community banks. The mutual respect between the FDIC and community banks is very evident and has served both of us very well over the years.

On behalf of our bank and board of directors, I must weigh in very strongly in opposition to the FDIC's plan to assess a 20bp assessment to be paid on 9/30/09 for several reasons as follows:

1. Community banks are working hard to remain strong and help customers through this financial crisis. Adding this size expense to bank's overhead this year will exacerbate the stress on banks and customers, hurting 2 significant stakeholders in the recovery. We will undoubtedly have to pay less on deposits and/or hold loan interest rates higher to make up for the assessment.
2. I would respectfully disagree with you regarding the rationale that you gave in the conference call that this would send a wrong message to the public, i.e. taxpayer funds being used to fund the FDIC fund. This is an argument, in our opinion, that for all practical purposes means little to the public or I should think Congress in light of the unprecedented and massive bailout of the giant institutions that has taken place. Additionally, borrowing from the Treasury and repaying from yearly assessments to bank's over 7 years could easily be represented for what it is, a loan to fund the FDIC that is repaid by banks, as it always has been. My customers would have no problem understanding this. In fact, many believe that the FDIC has always been partially funded by the taxpayers.
3. Fairness to community banks. Community banks did not cause this financial crisis and this action would be punitive and untimely.

In conclusion, we request that you revise the plan to assess bank's a 20bp assessment in 2009 and as an alternative, borrow from the Treasury and assess bank's over a longer period of time such as 7 years.

Thank you for your consideration of our position on this critical issue.

Greg Hohl
President