

From: Kerry Ness [mailto:KNess@businessbankmn.com]
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To: Comments
Subject: Assessment - RIN 3064-AD35

My comment regarding our opposition to higher FDIC assessments:

I want to express my opposition to higher assessments and, in particular, how it affects banks that have developed brokered deposit funding sources.

Banks in general have struggled and suffered from deposit outflows due to disintermediation for 20+ years. Our bank is no exception. We watch every day as our customers go online and transfer "excess" funds out of our bank and into brokerage firms and on-line banks that offer higher yield products.

Now finally, we have a competitive landscape in which to attract deposits and reverse that trend. Case in point - the Reserve Fund's breaking the buck has caused several securities brokerage firms to offer brokered "bank money market" products.

The higher assessment, and in particular the 20 bps one-time assessment, is causing our bank (and other banks that I've talked to), to dramatically reduce their issuance of brokered deposits and increase their bank borrowings over the next few months. My concern is that this reaction to the higher assessments will blunt the gains we are beginning to make in developing these new reliable funding sources for community banks.

Kerry Ness, CFO
The Business Bank
Minnetonka, MN

Kerry Ness
952-847-1109
fax 952-847-9016
kness@businessbankmn.com