



THE FIRST BANK OF CELESTE

www.firstbankceleste.com

ROBERT F. BARNARD
PRESIDENT

March 31, 2009

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, N. W.
Washington, D. C. 20429

Re: Proposed Special Assessment, RIN 3064-AD35

Dear Mr. Feldman:

We are a small community bank that was chartered in May of 1900. During our existence, we have survived the great depression, severe local recessions, general downturns in the national economy and, most recently, the regional economic crisis of the late 1980's and early 1990's.

We believe that we have prudently managed our position to remain liquid, well underwritten, well capitalized and soundly managed throughout the past years. We have diligently accounted for our FDIC insurance premiums and prepared, through budgeting, for the increase in these premiums that was inevitable when our credit with the FDIC fund will be exhausted later this year. The impact of this alone will be significant.

With this pending increase, the nation's community banks are already facing earnings stress as they prepare to contribute to the economic recovery of our nation. We are prepared to do our part in this very difficult task. However, to burden our industry with a 20 basis point assessment is both illogical and unreasonable. Even a 10 basis point assessment is too burdensome at this critical time.

If a special assessment is unavoidable, please seek every option possible to soften the impact on our nation's banking system which is founded on community banks serving individual communities in the very manner they were chartered to do. Many, if not most of these community banks, have not accepted any government bailout funds. There must be options, whether legislative or regulatory that would allow any assessment to be amortized on up to a ten year basis. Capital positions of banks could also be stabilized by revising or doing away with "mark to market" accounting requirements.

We appreciate greatly the challenges that the FDIC faces in these very unique times. It is our sincere hope that the efforts of the FDIC are carefully planned, the consequences thoroughly considered and the results positive and productive. I am confident that a sound solution to this dilemma can be reached which will yield a positive and equitable partnership between the FDIC and the community banks of this nation.

Sincerely,

Robert F. Barnard
President

P.O. BOX 7
CELESTE, TEXAS 75423
(903) 568-4211 • (800) 594-7881 • (903) 568-4149 FAX