



A GREAT COMMUNITY DESERVES A GREAT COMMUNITY BANK

March 31, 2009

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

RE: Assessments, RIN 3064-AD35

Dear Mr. Feldman:

First Piedmont Bank is a small community bank in Georgia. We are in the midst of the metro Atlanta real estate meltdown, which most all economists predicted would not be severe. Of course, the experts were completely wrong. There is plenty of blame to go around for this meltdown. We, as a bank, must accept some of the responsibility, but most of our small builders and developers were misled by the actions of Freddie Mac and Fannie Mae. This deception was compounded when other people decided to stretch the truth and create an unreal loan demand.

The FDIC interim rule imposing a 20 basis point emergency special assessment on all domestic deposits as of June 30, 2009, in addition to the regular assessment for 2009, which includes authority for possible subsequent assessments of up to ten basis points each quarter thereafter, is alarming at best. The FDIC has stated that it could reduce the special assessment from 20 basis points to 10 basis points if Congress passes legislation increasing the borrowing authority of the FDIC. I would like to be clear that a 10 basis point assessment would remain a staggering burden for our bank. First Piedmont Bank, just as many other community banks, is struggling due to this economic downturn. This assessment, in addition to our increased regular assessments, would further negatively impact earnings and capital. It would in turn make it harder for us to have a chance to survive in this marketplace.

I understand the importance of maintaining a sound deposit insurance fund and support the goal of the FDIC in that regard. However, the special assessment unfairly and disproportionately affects community banks. Many of the community banks in our state, along with us, are struggling. Most of the problems were not caused by us. Many of the activities of the large banks actually destabilized our economy and caused this situation. Yet community banks are being asked to pay an extraordinary fee to subsidize these large "systematically important" banks.

I strongly urge the FDIC to explore other possibilities rather than increasing assessments to community banks.

Sincerely,


W. Leon Pruett
Chairman, Board of Directors