
From: Stephen A Jones [mailto:stephenjones@cbcbank.net]
Sent: Friday, March 06, 2009 7:08 PM
To: Comments
Subject: FDIC Special Assessment

Thank you for considering my comments regarding the special assessment of 20 basis points of the deposit base. This will represent an estimated 50% of my gross income for the 2009 year of our small \$36 million community bank. This added expense would cause the bank to layoff people and reduce capital spending. Our bank has operated in a conservative manner for almost 138 years and within my 36 years of banking never have I experienced more difficulty in competing, and earning a fair return on the capital of the bank than the current downturn that we are in. To assess the banking system a large amount with the current environment will exacerbate the problem and cause more harm than good. Several deferred alternatives that extend the reserves are certainly more preferable. Most of the problems that exist with the community bank side have been economic and out of the control of current management. We are experiencing a domino effect with layoffs in the construction, transportation and automotive business. The competition has been severe in an overly saturated market for banking. The fluctuations in interest rates by the Federal Reserve System have created more harm than good, Not only are the borrowers and non-savers retreating from spending but so are the savers and investors who have seen their wealth and income deteriorate substantially. The Federal Reserve needs to increase rates to normal levels to encourage more spending.

**Sincerely,
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