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**From:** wcather [mailto:wcather@bcbankinc.com]

**Sent:** Friday, March 06, 2009 2:49 PM

**To:** Comments

**Subject:** FDIC Premiums.

The community banks have been extremely important to America since the beginning of time. They have always been there for their communities. Times are tough right now, no question about it, but the community banks are the banks that are profitable and typically well capitalized. We are not the ones that are front and center in trouble. We have been strained earnings wise, but that has a lot to do with the lowering of the FED. Rate as rapid as it was done. The FDIC insurance is important to all banks, but it has been a big issue with the larger banks. If a large bank would fold the FDIC insurance is a big deal. If a \$ 150,000,000.00 bank would fold it would not be a big deal. A larger bank would buy the assets and move on and basically it would be a non-event. The premiums being charged to keep the FDIC Insurance Company at a comfortable level is now starting to make the community banks uncomfortable. It is becoming an additional strain on our earnings which will ultimately become a strain on capital. As you can ascertain I run a small community bank. Our assets are \$ 127,000,000.00. The costs for 2009 under the FDICs' original plan of last week would cost my bank approx. \$ 550,000.00 in premiums. Your revised plan if the Fed accepts would cost my bank approx. \$ 330,000.00 for the year and that's assuming the FDIC would not have to draw on the increased line of credit. I'm quite sure if there were draws then our premiums would have to increase to cover the costs. No matter how we look at it the insurance has become a major expense. I am asking you to find a better way of funding the insurance than billing particularly the community banks. The premiums are going to become a huge burden on all banks especially the community banks. We need to find a way to boost the banks earnings not deplete them. Thanks for listening.