



March 18, 2008

Mr. Robert E. Feldman, Executive Secretary

Attn: Comments

Federal Deposit Insurance Corporation

550 17<sup>th</sup>, N.W.

Washington, D.C. 20429

Dear Mr. Feldman:

I appreciate the opportunity to comment on the FDIC's interim rule that would impose a special assessment of 20 basis points in the second quarter.

I have serious concerns about this proposal, but first wanted to emphasize that I fully support the view of the FDIC that we need a strong, financial secure fund in order to maintain the confidence depositors have in the system. However, how this is done is very important to my bank and my community.

The special assessment is a significant and unexpected cost to VisionBank that will be devastating to our earnings. The cost is so high that it is a disincentive to raise new deposits. Fewer deposits will hinder our ability to lend. We are already dealing with a deepening recession, accounting rules that overstate economic losses and unfairly reduce capital, regulatory pressure to classify assets that continue to perform, and a significant increase in regular quarterly FDIC premiums. The reduction in earnings will make it harder to build capital when it is needed the most.

- 1) We would urge you to look for and if necessary advocate for ways to improve the projections for bank failures.

- In our opinion, mark-to-market accounting is the principle reason that our financial system is in a meltdown. The destructiveness of mark-to-market -- which was in force before the Great Depression -- led FDR to suspend it in 1938. He understood that it was unnecessarily destroying banks. We do not believe the timing of the re-implementation of mark-to-market in the fall of 2007 and the current economic crisis are coincidence.
- The concept of a "bad bank", or the ability to separate the bad assets from the good ones would seem to have merit and would allow problem assets to be dealt with separately and systematically, while other banking operations could continue under a transparent, focused framework.

2) We would urge you to seek ways to "smooth out" the assessment collection process. Again, we know the Fund needs to build up to statutory levels, but collecting a large portion, all at once, is very harmful to the Kansas economy.

Given the impact that the proposed assessment will have on VisionBank and our community, I strongly urge you to consider alternatives that would reduce our burden and provide the FDIC the funding it needs in the short term. I urge you to take all suggestions from Community Banker's into consideration when the Board meets in April to finalize the special assessment rule.

Sincerely,



Gary E. Yager  
President/CEO  
VisionBank  
Topeka, KS