



# HEARTLAND BANK

CORPORATE OFFICE

March 11, 2009

Mr. Robert E. Feldman  
Executive Secretary, FDIC  
550 17th Street, NW  
Washington, DC 20429

Dear Mr. Feldman:

We at Heartland Bank 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 of 2009.

Even though we have serious concerns about this proposal, we fully support the view of the FDIC that we need a strong, financially secure fund in order to maintain the confidence depositors have in the system. However, how this is done is very important to Heartland Bank, our small business and retail customers, as well as the communities we serve.

The special assessment is a disproportionately large, significant and unexpected cost to Heartland Bank that will significantly deplete our projected earnings at a time when earnings are desperately needed to increase capital and maintain a high CAMELS rating, otherwise potentially increasing our regular quarterly FDIC assessment.

Our financial condition and operations have already been adversely effected by 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.

Banks like ours that avoided sub-prime lending and have served our communities in a responsible way for years and years are being unfairly penalized.

The special assessment is completely at odds with Heartland Bank's efforts to help the communities we serve rebuild from this economic downturn.

In an effort to cover the cost of this assessment we will be forced to look at ways to lower the cost of other expenses, which will limit our ability to sponsor community activities and make charitable donations – something that we have done year after year.

The implications for this significant FDIC charge will impact every corner of our community. We believe it is unfair and harmful to burden a healthy bank like ours that is best positioned to help the economy recover.

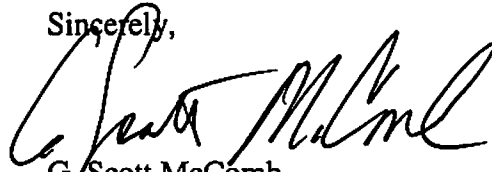
Given the immensely negative impact that the proposed assessment will have on Heartland Bank and the communities we serve, we strongly urge you to consider alternatives that would reduce our burden and provide the FDIC the funding its needs in the short term.

We urge you to consider more reasonable funding options, such as;

- Reduce the special assessment and spread the cost of it over a long period of time. The FDIC should spread out the recapitalization of the fund over a longer timeframe as well;
- Use a convertible debt option, whereby the FDIC could convert debt borrowed from the banking industry into capital to offset losses if it needs the funds. This would allow me write off the expense only when the funds are actually needed;
- Use the FDIC's borrowing authority with the Treasury if the fund needs resources in the short-run. This is the purpose of this fund and it remains an obligation of the banking industry. Moreover, it allows any cost to be spread over a long period of time.

Making these modifications will ensure that the fund remains secure and will allow my bank to continue to lend in our community. We urge you to take these suggestions into consideration when the Board meets in April to finalize the spec.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Scott McComb". The signature is fluid and cursive, with a large initial "G" and "M".

G. Scott McComb  
President

GSM:skm