



Community Guaranty Savings Bank

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March 17, 2009

Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corporation
Attn: Comments, Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

Re: Assessments, RIN 3064-AD35

Dear Executive Secretary Feldman:

Thank you for the opportunity to make the following comments. After suffering losses for the year 2008 because of the take-over of Fannie and Freddie, our bank is poised to move forward. Our budget for this year allowed for an almost 100% increase in our FDIC assessment. With the new special assessment and the increase proposed of two to four basis points in the regular assessment, our estimated net profit for this year will be reduced by 52%. If the special assessment is cut in half, our projected net income will be reduced by 28%. These numbers do not include the ten basis points per quarter assessment that could easily wipe out all of our income for the year.

We are a community bank that has continued to lend and serve our local area. We have eliminated three positions in the past eight months, representing 10% of our workforce. We did not cause or participate in the problem that has occurred. We have already suffered losses because we invested in Government Sponsored Enterprises. Please do not penalize us any more.

We would encourage any alternatives that the FDIC can explore and implement that would minimize such a large impact to our income at such a fragile time of bank profitability. For many years, the D.I.F. assessment has been based upon the risk exposure of each individual bank, and thus the assessment was a formula that required the riskier banks to pay more, while well-managed banks contributed less. This has always been considered fair and acceptable to the FDIC as well as to all FDIC insured

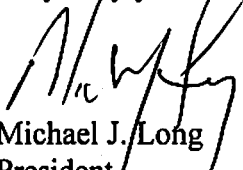
banks. The recently proposed special assessment contradicts that fair and equitable nature that the D.I.F. system has been built upon. We believe that a more responsible plan for replenishing the D.I.F. than to just unilaterally increase the assessment for all banks at the same rate, would include a thoughtful consideration of alternatives that will not penalize healthy, well-managed community banks.


Such an analysis should include whether the assessment should be based on total assets, rather than total domestic deposits, whether accounting rules should be changed to allow banks to amortize only additional assessments over a longer period of time, and to encourage the FDIC to borrow from the Treasury, allowing banks the flexibility to repay their fair share over an extended period of time. These considerations along with the long-held traditional method currently in place that rewards responsible management and penalizes poor management should help effectively and fairly replenish the D.I.F. and revitalize the banking system.


Finally, we would like to point out that the banks that caused this problem will have access to TARP money to pay this premium. We do not have that option. Any additional D.I.F. assessment will come out of our current earnings, hampering our ability to lend and help move our community forward out of this severe economic recession.

Thank you for taking the time to read this letter.


Very truly yours,

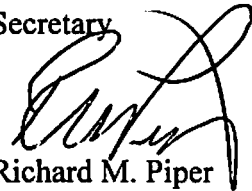

Michael J. Long
President



Ronald I. Sibley
Chairman

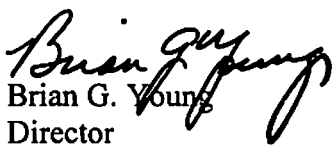

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