

From: James Kaney [mailto:jkaney@coastnationalbank.com]
Sent: Wednesday, April 01, 2009 8:47 PM
To: Comments
Subject: Assessments, RIN 3064-AD35

James Kaney
500 Marsh Street
San Luis Obispo, CA 93401-3955

April 1, 2009

Comments to FDIC

Dear Comments to FDIC:

Re: Assessments, RIN 3064-AD35

Coast National Bank is a small \$188 million in assets bank located in San Luis Obispo County. We are a community bank founded by local business and professional leaders. We believe the new FDIC proposed fee would constitute an onerous burden on the effort to restore the health of our economy.

San Luis Obispo County has a population of 250,000 and your proposed fee would have an impact of \$9 million on our County. The County has 79 bank offices and a total of \$4.5 billion in deposits (FDIC "Deposit Market Share Report", June 30, 2008, <http://www2.fdic.gov/sod/>). The new fee coupled with lost construction jobs, troubled auto dealers, school employee reductions, a California sales tax increase and general economic malaise just exasperates the economic environment. Although we are a relatively stable, government reliant community, what impact can you expect on other, less robust communities (lost jobs, less opportunity, unintended consequences)?

Besides impaired bank industry earnings due to interest rate reductions, the continued regulatory oversight has created fear, restrictions and reluctance by the financial community to provide the fuel to economic recovery.

With this increased fee, obviously the banking industry will have to reduce expenses (employees) and curtail other support to our communities.

Please explore other alternatives so the industry can fund the Deposit Insurance Fund over time.

Sincerely,

James M. Kaney, EVP, Director of Finance
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