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Sent: Thursday, March 05, 2009 12:44 PM
To: Comments
Cc: Criswell Tom; Koch, Linda
Subject: RIN 3064-AD35

The FDIC's recent proposal for a special assessment on all banks and thrifts in order to recapitalize the Deposit Insurance Fund can best be described as ill-conceived and ill-timed. Many community banks such as ours are still reeling from the losses we were forced to incur on Fannie Mae and Freddie Mac preferred stock in 2008. Our loan portfolios are beginning to undergo stress as our customers wrestle with an uncertain economy. While we continue to lend in our communities, decisions such as yours to suck out even more capital from us will have a devastating impact on our ability to continue to support our local economy through lending. In our case, this one time assessment will reduce our net income by \$600,000 in 2009 – or 15% of our budget! We have already taken aggressive steps to reduce expenses during 2009. Our bank is committed to remaining well capitalized, but assessments such as this will only make it more difficult.

Treasury has provided a \$30 billion line of credit for use by the FDIC in extraordinary situations. And no one would argue that we are experiencing a series of extraordinary situations.

Therefore, the logical solution to the potential Deposit Fund deficit would be to use the line of credit from Treasury in the short term. That is what it is designed for. If you must saddle the banking industry, we urge you to explore the possibility of borrowing from the industry in the form of convertible debt.

We understand the significance of maintaining a strong and well capitalized FDIC fund. However, you are once again punishing those of us who have played by the rules and maintained a healthy and well capitalized bank by forcing us to pay for the mistakes of those who haven't. Please consider other actions before making this one time punitive assessment on the banking and thrift industry.

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