From: Marc Prasch [mailto:mprasch@ffsbky.com]
Sent: Friday, March 06, 2009 8:59 AM
To: Comments
Subject: Opposition to RIN 3064-AD35: Proposed FDIC Special Assessment pursuant to 12 CFR Part 327

Marc Prasch
SVP
FFSB
1202 Park Ave
Shepherdsville, KY 40165-9290

March 6, 2009

Robert E. Feldman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Dear Robert Feldman:

For our bank, we will have to pay an additional $1.5 million in FDIC insurance expense due to this one time assessment on top of the $1.8 million we already will be paying for 2009. Now is a very poor time to have to incur an unexpected $1.5 million expense we did not prepare or budget for.

Even the Wall Street Journal Questions the logic of this assessment.

A Wall Street Journal editorial, published March 4, 2009, questioned the timing and logic of the FDIC's 20-basis-point special assessment to recapitalize the Deposit Insurance Fund. While the law requires the DIF to be replenished, the editorial pointed out that the insurance fund -- like the Social Security Trust Fund -- hands its money over to the Treasury Department to spend and then draws it down as needed.

"Even if the fund falls to zero, the FDIC has an existing $30 billion Treasury line of credit, which may soon grow to $100 billion," the editorial said. It added that the $27 billion in premiums from the special assessment also could take about $150 billion out of lending in the coming year. "Banks should pay for their insurance over the course of a business cycle, rather than raiding their earnings when they desperately need the capital," the editorial said.

Sincerely,
Marc Prasch
800-314-2265