
From: Forrestel, Peter [mailto:pforrestel@bankofakron.com]

Sent: Thursday, March 05, 2009 5:41 PM

To: Comments

Subject: Assessments, RIN 3064-AD35

Dear Ms. Bair:

I am President and CEO of Bank of Akron, Akron, New York, FDIC #13290. We have a bit of experience in dealing with difficult economic times, which I'll share with you.

My grandfather stepped in to recapitalize our bank in 1931; investing his resources into the bank, to keep it from closing. He believed that every community is better served by having its own local bank. At that time, the bank had a significant negative net worth, and we actually did meet with a depositor out on the front porch on a Friday evening, to try to convince him to only withdraw the funds he needed for the weekend. The conviction that my grandfather and bank officers held, that things would eventually work out, was persuasive enough that the depositor left most of his money in the bank. My grandfather and other bank directors personally guaranteed the assets of the bank with their own financial resources, and placed advertisements in the local newspaper to calm the public. Soon thereafter, the recapitalization plan was approved by the New York State Banking Department and my grandfather became the majority shareholder and President. It took 30 years of hard work and no dividends to make a strong bank, but my grandfather had a very long outlook. He was a highway contractor by trade, having founded his company in 1911; and he served as the bank's president for 43 years until his death. My father, also a highway contractor in the family business, served as President from 1975 to 1994, when he passed the title on to me. It is interesting to note that my father has been a director since 1951, and still serves as our Chairman.

For all of these 77 years of family ownership, we have stayed true to common sense banking: taking deposits and making loans to people and businesses who probably could pay us back. We have done **nothing** to contribute to the housing and economic crises now facing our nation.

Yet now we find that we are being asked to pay for the mess created by the incompetence, greed, and mismanagement of Wall Street bankers, dishonest mortgage brokers, and many people who took risks that they did not understand.

Meanwhile, our capital is nearly 12% of assets, and our allowance for loan losses is nearly 2% of the total loan portfolio, with very low delinquencies. Again, we are not part of the problem. Our loans grew 22.9% in 2008, proving that we are part of the solution to this weak economy.

The special assessment, be it 10 cents or 20 cents, will seriously affect 2009 earnings for our bank, and will likely result in the failure of some of the weaker banks. Like any business facing a weak economy and tough times, the FDIC should develop a diversified source of funding and capitalization, to ensure its viability and fund current operations. We strongly encourage you to do so.

Thank you for your efforts on behalf of the FDIC, our industry, and our country.

Respectfully submitted,

E. Peter Forrestel II

President and CEO
Bank of Akron
Akron, New York

Member of the Banking Board
Banking Department
State of New York