From: Robert Snyder - Luzerne Bank [mailto:rsnyder@luzernebank.com]
Sent: Thursday, March 05, 2009 10:57 AM
To: Comments
Subject: Assessments, RIN 3064-AD35

We are a seven office $230 million asset community bank that is a category one risk. In addition to the incredible increase in our regular assessment, expected to be about 141%, 2009 vs. 2008, the special assessment, approximately $380,000, will cost us over 14% of our net income. I have attached a graph depicting the increases in our FDIC premiums. The special assessment will reduce our ROA for the year by about 12 bp and could affect our dividend payout. In our communities, donations to charities will all but dry up as we try to get through this. Will lending be negatively affected? Possibly so!

The cash to pay the special assessment is expected to come out of fed funds sold or funds purchased, further compounding the cost.

We did no sub prime mortgages. We did no Alt-A mortgages. We have not sold any mortgages. We did not buy Freddie or Fannie preferred. We are an old fashioned community bank requiring evidence of the ability to repay before we grant a loan. We require adequate 20% down payments before granting mortgages. We are highly capitalized and profitable. At least we were. Bottom line is that we have done nothing to cause or add to the financial difficulties of this country or of the FDIC. It seems to me that the "too big to fail" banks will just ask the taxpayer for more money to pay their assessments, but we cannot do that. Like other community banks, we have always been "steady as you go" with regard to lending and other services. We are an important lender in the community we serve. This assessment could change all that. It is just too severe!

Won't you please find a way to lessen the impact of this special assessment upon our bank and ultimately, our community?

Thank you for your consideration of the plight of this community bank.

Sincerely,

Robert C. Snyder
President and CEO
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