

From: Dahr Fry [mailto:dahrfry@yahoo.com]
Sent: Wednesday, April 01, 2009 4:54 PM
To: Comments
Subject: Opposition to RIN 3064-AD35: Proposed FDIC Special Assessment pursuant to 12 CFR Part 327

Dahr Fry
MGR
West Coast Bank
5960 Juniper St. NE
Salem, OR 97305-3437

April 1, 2009

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

Dear Robert Feldman:

I appreciate the opportunity to comment on the FDIC's interim rule that would impose a special assessment of 20 basis points in the second quarter.

The special assessment is a significant and unexpected cost to my bank that will devastate earnings.

We are already dealing with a deepening recession, accounting rules that overstate economic losses and unfairly reduce capital, regulatory pressure to classify assets that continue to perform, and a significant increase in regular quarterly FDIC premiums.

The cost is so high that it is a disincentive to raise new deposits. Fewer deposits will hinder our ability to lend.

Given the impact that the proposed assessment will have on my bank and my community, I strongly urge you to consider alternatives that would reduce our burden and provide the FDIC the funding its needs in the short term.

I urge you to consider more reasonable funding options, such as;

- Using an equity investment option where banks would provide a capital injection for FDIC, which would count as an asset for banks and not an expense;
- Using a FICO approach to issue bonds and invest the proceeds into the insurance fund, similar to what was done in the late 1980s to pay for the costs of failures back then;
- Eliminating or significantly reducing the special assessment and spread

the cost of it over a long period of time. The FDIC should spread out the recapitalization of the fund over a longer timeframe as well; and

Sincerely,

Dahr Fry
503-304-1417
MGR
West Coast Bank

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