



*Dennis D. Cirucci
President and
Chief Executive Officer*

April 2, 2009

Mr. Robert E. Feldman, Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

Attention: Comments, Assessments, RIN 3064-AD35

Dear Mr. Feldman:

Thank you for the opportunity to comment on the proposed special assessment. Alliance Bank recently completed its 70th year of operations. I have been with this Bank for 25 years and prior to that I was a financial institutions specialist for Deloitte and Touche. I also serve on the board of Pennsylvania Association of Community Bankers and am the President of the Insured Financial Institutions of the Delaware Valley, which is comprised of several community banks from Southeastern Pennsylvania and Southern New Jersey.

The purpose of my letter is to quantify the impact of the proposed special assessment on our institution and the communities we serve, to explore alternatives to this assessment and to share the insights of community bankers across Pennsylvania concerning what we perceive as unfair treatment. The direct impact of a 20 cent or 10 cent special assessment will likely result in the following at our Bank in 2009:

- Net income will decrease 34% and 17% respectively
- It will decrease bank capital by 1% and ½% respectively
- Having significantly less income will also affect the rates we pay on deposits and the rates we charge on loans
- We will restrict planned additions to our staff
- Sponsorship support of community events will be reduced

Alternatives to charging community banks this exorbitant special assessment include:

- Employ a different formula that considers the strength of community banks by basing any assessment on total deposits minus tangible capital, so that those of us with strong capital who are not highly leveraged get credit for maintaining strong capital ratios
- Rebuild the fund over a longer period of time and reduce the assessments
- Charge the systemically important / too big to fail banks a much higher portion of the fees commensurate with the high risk they present to our system
- The FDIC could use its borrowing authority from Treasury instead of charging the special assessment which would allow the industry to capitalize the fund over time

It seems fundamentally unfair that the weak banks be allowed to access and use TARP to pay any assessments. Community banks like Alliance Bank generally did not participate in the risky practices that led to the economic crisis, yet they are being penalized by having to pay this onerous special assessment on top of regular assessments that are more than double those of last year. Throughout this crisis we have never stopped lending to any creditworthy customers and work regularly with borrowers under stress who lost their jobs or their businesses. Paying such an assessment would further limit our ability to help these customers who are generally low to moderate income borrowers.

I appreciate your time and attention in considering our input on this very important issue.

Very truly yours,

A handwritten signature in black ink, appearing to read "D. Cirucci", with a stylized, cursive script.

Dennis D. Cirucci