
From: Dick Cooley [mailto:dcooley@copiahbank.com]
Sent: Thursday, March 05, 2009 5:36 PM
To: Comments
Subject: assessments RIN3064-AD35

March 5, 2009

Mrs. Shelia C. Bair, Chairman
Federal Deposit Insurance Corporation
Washington, DC

Members of the Board of Directors
Federal Deposit Insurance Corporation
Washington, DC

Dear Mrs. Bair and Members of the Board:

I was shocked and dismayed to learn that the FDIC had decided to impose a one-time assessment of 20 BPS on all deposits of our bank as of June 30. This action certainly negates our ongoing efforts to grow our deposits in this very uncertain economy. Many customers, both existing and new, have come to us seeking the soundness and safety an FDIC insured institution provides. Most of our customers have been doing business with us for many years. We have prided ourselves on being able to offer deposit security for these people for over 118 years! Whether intentional or not, your proposal makes us re-think how we can afford to continue to take deposits—we are already swimming in excess funds now.

Your one-time assessment on deposits as of June 30 penalizes us for continuing to accept deposits from these long standing customers. In order to reduce the assessment amount, we should tell Mrs. Smith that we are not willing to accept her new \$100,000 CD which will not mature until September 15 or we should tell our local county administrator that we are not willing to bid on the county's excess 30 Day funds in June since we will have to pay another 20 BPS for that money. Is this the intention of the FDIC Board?

I can certainly understand the necessity of increasing the insurance fund in light of the number of completed and expected bank failures, but how can you expect small banks like ours to subsidize the large banks when they are the ones receiving the bailout funds? Why not require the large, too-big-to-fail banks to carry a disproportional share of this fund burden? Your previously announced rate increase for small banks should suffice as our share of any additional fund deposits.

I am certain that all small, independent bankers like us are willing to pay their proportional share of any drains on the insurance fund, but we are being penalized for the problems other, less conservative banks created. Give us some time to spread these costs rather than impose them on us in this economic climate when every bank is already under pressure.

Please reverse your assessment and consider using Treasury supplemented lines of credit or direct advances to replenish that insurance fund. Don't put a bank like ours in the position of having to tell our customers we can't accept your deposit today because the government is imposing an additional tax on it. Don't make us turn Mrs. Smith away in June!

Sincerely,

Alford M. Cooley
EVP & CFO
Copiah Bank, NA
\$131,000,000 in assets with \$120,000,000 in deposits

Our assessment will be \$240,000 in June or one entire quarter's earnings.