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July 23, 2009

Mr. Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Dear Mr. Feldman:

Following are my comments relative to the current FDIC Proposed Statement of Policy on Qualifications for Failed Bank Acquisitions:

- On July 9, 2009, the Federal Deposit Insurance Corporation ("FDIC") published in the Federal Register a proposed statement of policy on the qualifications for failed bank acquisitions. The proposed policy statement is intended to ensure that failed depository institutions subsequently acquired by a group of private capital investors do not pose undue risks to the deposit insurance fund.

- To this end, the policy statement imposes additional requirements on private capital investors seeking to acquire the deposit liabilities, or both such liabilities and assets, of failed institutions. These requirements include, among other things, enhanced capital commitments, mandatory cross-guarantees, "source of strength" requirements, as well as a prohibition from selling or transferring the securities of the institution for three years following the acquisition.

- We are concerned that the FDIC's policy statement will effectively deny a sizable pool of capital to the U.S. banking community at a time when U.S. banks are in dire need of capital. The policy statement will endanger struggling depository institutions that are already having a difficult time accessing capital given the current state of capital markets.

- The cost to the deposit insurance fund that results from this rule – decreasing available capital to buy assets – far outweighs any conceivable benefit to the fund from this new rule.

- The policy statement will make it burdensome for depository institutions to replace government-provided capital with private capital. The Department of the Treasury has provided hundreds of billions of dollars in capital to institutions and it will be more difficult for such institutions to repay the government if private capital is unavailable.

- Additionally, the policy statement does not differentiate between unsupervised private capital investors and investors that are registered and supervised as bank holding companies. For those investors that are bank holding companies and that dedicate a substantial amount of resources and bank expertise to the institution's management and ongoing compliance, such as CapGen Financial, the policy statement will impose costs that infringe upon the investors' ability to continue to provide resources and expertise.

- For the foregoing reasons, we request that the FDIC withdraw its proposed policy statement or, at the very least, amend the statement to permit regulated bank expert investors, like CapGen, to continue to make investments in troubled banks without additional regulatory requirements.

Sincerely,

OJTomson

O. J. Tomson
Chairman