From: Banks, Michael [mailto:michaelb@bankpeoples.com]
Sent: Monday, March 02, 2009 4:44 PM
To: Comments
Subject: FDIC Assesment increase and Special Assesment

As the Senior Vice President and Chief Lending Officer of a Community Bank in SE Michigan I want to express my concerns with the recent assessment increases, particularly the special assessment. We are essentially being asked to fund and support a policy which we neither believe in nor support, and to pay for mistakes we did not make. If a Bank is judged to big to fail than its assessments ought to take into account that status and not ask all Banks who do not enjoy that benefit to support. Additionally it is a further hardship on Banks and ultimately customers who will bear the cost when we are struggling to overcome a frozen economy and we have received no TARP funds to alleviate the strains on capital. Too many of the FDIC's policies are now operating at cross purposes with Treasury's and the country's goals. While as bankers we understand and support the important role the FDIC plays in assuring the public of the safety of their funds, at a time when Bank earnings are weak at best, this action serves only to further weaken the performance of all Banks. Surely the FDIC can also look to the government as lender of last resort till the immediate crisis is past and then we can rebuild the fund.

None of our current difficulties have anything to do with subprime mortgages originated by us. They are the product of a precipitous decline in auto industry employment as car sales have come to a virtual halt and the similar decline in housing values that record foreclosures and employment losses have fostered. Other than providing TARP capital or CPP, very little of which has made its way to small business providers such as community banks in SE Michigan, there has been little help from the FDIC in this crisis for SE MI or community banks. If you cannot help us at least do not keep knocking us back every time we make some progress.