

**From:** Tom McGraw [mailto:TMcGraw@familybank.com]  
**Sent:** Monday, March 02, 2009 2:28 PM  
**To:** Comments  
**Subject:**  
**Importance:** High

**Dear Colleagues at the FDIC:**

**I am writing to share my very serious concerns with the increased insurance assessments levied on community banks, particularly during this volatile economic recession. Community banks, like First National Bank of Northern California, in no way contributed to the ethical and economic disaster we are experiencing. Why should the enormous burden of reconstituting the fund fall on the already regulatory laden backs of community banks? I am sure we, community banks, are all willing to do our "fair" share to contribute to recapitalizing the insurance fund for the good of our communities and our country, but what about the large nationwide banks, investment banks, financial conduits, hedge funds, insurance companies, et. al., who are to blame for this economic tsunami? The majority of the burden to shore up the insurance fund should fall on their shoulders. This onerous hike in the assessment only adds to the pressure placed on healthy banks like ours. "It is estimated that this fee increase could eat up an amount equal to 20 to 50% of 2008 earnings for the average community bank." according to the Bank Investment Daily, March 2, 2009. We made a profit of approximately \$3.9 million dollars in 2008 and the forecast for 2009 is closer to \$2 million. We anticipate that our FDIC assessment will be between \$1.1 and \$1.2 million dollars. At a time when AIG is getting another \$30 Billion in government funds AND forgiveness of interest on it's existing government debt, how do you resolve the ethical and moral dilemma of putting community banks and our shareholders, at a competitive disadvantage by taking more of what we work so hard to earn? I respectfully suggest that you rethink your strategy. I am certain you are in a difficult situation, but you have to ask yourselves, what is fair?**

**Sincerely,  
Tom McGraw**

Tom McGraw  
Chief Executive Officer  
First National Bank of Northern California  
975 El Camino Real  
South San Francisco, CA 94080

[www.fbnorcal.com](http://www.fbnorcal.com)

Phone 650-875-4865

Cell 650-438-1002

e-mail: [tmcgraw@fnbnorcal.com](mailto:tmcgraw@fnbnorcal.com)