JOHN M. HAIRSTON
Chief Executive Officer

March 9, 2009

Robert E. Feldman
Executive Secretary, FDIC
550 17th Street, NE
Washington, DC 20429

Dear Executive Secretary Feldman:

We appreciate the efforts of the Congress, Department of the Treasury, FDIC and other regulatory agencies to assist in managing through the current economic crisis. We also appreciate the opportunity to comment on the FDIC's interim rule that would impose a special assessment of 20 basis points calculated on the average deposits of banks during the second quarter of 2009.

We first want to emphasize that we fully concur America needs a strong, financially secure insurance fund in order to maintain confidence of depositors. We all noted the increase in American confidence when Congress raised the insurance ceiling to $250,000 from $100,000. That said, the methodology by which the insurance fund is replenished is critically important to my bank, employees, customers, and public bodies in the communities we serve.

Please allow a brief background of Hancock Bank. Hancock was founded in 1899 and has flourished through 22 recessions. We never closed in the Great Depression, except for the one day that President Roosevelt demanded that all banks must close. We never closed during Hurricane Katrina even though we lost over five hundred thousand square feet in the storm, including all of our corporate operating buildings. The point is we have a very long institutional background in managing through diversity.

We didn't make any subprime loans. We never subscribed to "stated income" or "stated asset" lending, even when not doing so put us at a competitive disadvantage. We consider the safety of customer deposits a sacrosanct practice, thus we maintain very high capital ratios (dry powder) and low loan to deposit ratios (high liquidity in case of a terrible economic crisis). We follow safe practices even though the result is a little less profit. We did not accept any bailout money because our customers didn't get bailout money. Thus far, we continue to pay the same dividend to our stockholders and haven't declared layoffs of employees. A bank can take the safe road and still make a reasonable profit – our bank was ranked by Bank Director Magazine as the 3rd best bank in the Nation in 2007 and the 8th best in 2008, even while we are also one of the strongest and safest. The point is we, and banks who managed prudently, present zero risk to FDIC insurance fund.

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Respectfully, we submit the following suggestions as alternatives to the current proposal.

1) The recurring, quarterly assessment is risk-based. Banks who present higher risk should pay more than banks who take lower risk. This is both fair and financially prudent. Banks who got us in this mess should carry more of the load. We all must contribute, because we all get the benefit of the insurance.

   On the other hand, the special assessment is virtually the same rate on all banks. So a bank in the proverbial ditch because of lousy management, lousy directors, and poor business decisions – they will pay 20 basis points. Hancock, who took the high road, maintained safety over profits, chose liquidity over running on empty, sacked away capital for a rainy day even though Wall Street wanted us to spend it all growing too fast – well, we will pay the same load, 20 basis points.

   We support regulatory prudence in growing the fund, but respectfully suggest that reasonable consideration be given to a fair distribution of the assessment. Those that took more risk need to carry the bulk of the load in replenishing the funds. We'll all do our part, but it should be on a scaled basis similar to the recurring quarterly assessment. We suggest that a similar risk-weighted distribution of fees be used for both the special assessment and recurring assessments.

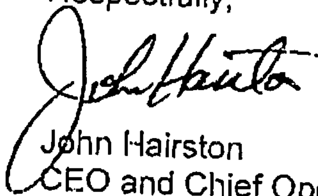
2) If the special assessment must be common to all banks, then prudent banks will suffer equally to errant banks. It would seem reasonable to first assess a smaller amount than 20 basis points on all banks in case the assessment is more than needed. It would be a travesty to cause hardship on healthy banks for problems they didn't create, only to create a fund that was larger than necessary. We suggest that a risk-weighted but blended ten basis point assessment be made for September 30, then given current information determine how to progress from there. Perhaps the fund will be in sound enough shape to simply raise the recurring assessment thereafter, which is already risk-weighted.

3) Since the economic downturn began, public deposits have flooded into our bank simply because we are a much safer institution. We can't make money on those deposits because we are paying more interest for those deposits than we can earn by investing the deposits. We can't make loans with public deposits because a similar amount of securities must be pledged as collateral. As a simplified example, we take in a public deposit, buy a bond with it, and pledge the bond against the security. In today's short term environment, the amount we earn on the bond is less than we pay on the deposit. We provide this service in order to be a safe haven for public bodies. With so many weak banks in the market, we are one of the few places where public bodies can protect taxpayer dollars. If FDIC assesses public deposits at the same rate as other deposits, then the cost of providing that safe haven gets that much worse. The few safe banks remaining may chop interest rates to virtually zero which do nothing but hurt school districts, municipalities, etc. We respectfully suggest that the special assessment be altered to charge no fee on public, collateralized deposits. This will encourage the acceptance of public deposits and help taxpayers in the various communities.

Please accept these recommendations in the good spirit intended. We share your frustration and concern with the banking environment. Like you, we didn't cause this mess. Like you, we are willing to sacrifice to work our way out of it. But we do feel it is reasonable for well-run, safe institutions to be treated differently in insurance fund assessments than those banks that dove off the risk cliff in pursuit of profits.

Thank you for the long hours worked to help restore prosperity to America. We serve faithfully at your side.

Respectfully,



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