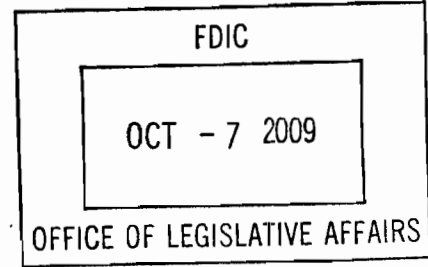


U. S. House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515
October 1, 2009



VIA FACSIMILE

The Honorable Sheila Bair
Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Dear Chairman Bair:

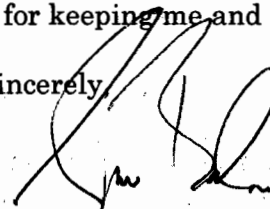
Thank you for your call informing me of the pending announcement that banks would be required to prepay three years of their deposit insurance premiums. This appears to be a reasonable and effective way to replenish the fund with the least possible negative impact on the banking system and individual banks.

You indicated in that conversation that some institutions, particularly smaller banks, would be able to request a waiver based on their individual circumstances. This provision is necessary and recognizes the severe strain some are under due to the stressful effects of the housing market difficulties and the almost insurmountable obstacles institutions face in some geographic areas when trying to raise capital.

Hopefully, due consideration will be given to a policy of flexibility in appraising the waiver requests, especially in the case of banks already under severe stress. A lenient policy in granting waivers will help avoid pushing already stressed institutions into unnecessary failure and thereby further depleting the insurance fund.

Thank you again for your service and for keeping me and my colleagues informed.

Sincerely,


SPENCER BACHUS
Ranking Member