From:
Sent: Wednesday, March 11, 2009 8:48 AM
To: Comments
Subject: Assessments, RIN 3064-AD35

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We are strongly opposed to this Special Assessment, as The St. Henry Bank has always been a strong and profitable bank. This assessment will represent a 10% decline in our earnings, as well as a 400% increase over 2008 premium levels. Neither of these numbers take into effect the increase to our regular FDIC premium cost. To attempt to offset this new expense, we will be forced to lower already low deposit rates, as well as raise loan rates. By doing so, this will have a negative impact on our local economy.

Community banks are being unfairly penalized by being asked to pay for this crisis that we did not participate in through risky and irresponsible lending.

At a minimum, the special assessment should be risk based and based on total assets. Also, we would support an accounting change to allow banks to amortize this assessment over a period of years. It appears unfair that so many large banks have received tens of billions of dollars of TARP money and will have the ability to use tax payer funds to pay this premium.

We feel there are many alternatives to funding the DIF other that the special assessment, including using your existing authority to borrow from the treasury, issuing debt to the public, or using your authorization to borrow from the banking industry.

Sincerely,
The St. Henry Bank