

From: DJenni7474@aol.com [mailto:DJenni7474@aol.com]
Sent: Friday, March 06, 2009 3:40 PM
To: Comments
Subject: RIN 3064-AD35 74 FR 9338; FDIC Interim Rule on Special Assessment

Dear Ms. Bair:

I represent a small thrift in Frankfort, Kentucky, as well as a holding company that owns another small thrift in Hazard, Kentucky. We are primarily home mortgage lenders who have worked diligently to provide homeownership opportunities in our communities for 75 and 48 years, respectively. We are also extremely cognizant of asset quality which is reflected in our history of low loan losses and relatively few foreclosures.

We oppose the current plans for a one-time FDIC assessment as well as drastic increases in the on-going assessment rate. We understand that recapitalization of the insurance fund is necessary. We urge the FDIC to continue to consider longer-term plans to repair the fund that will better preserve the income of profitable banks and the capital of unprofitable ones.

The health of our financial system depends on capital. Our first priority should be to restore the health of the industry so that private investors will once again believe bank stocks are a viable investment. The swift confiscation of up to a year's earnings of safe and profitable banks will not restore this confidence.

I am sure many responders will suggest that it is unfair that responsible banks should pay for the sins of the irresponsible ones. We have learned to live with that inequity in banking, although this time it is particularly painful. We have had to defend our responsible actions to shareholders while the earnings asset growth of competitors, who we knew were engaging in unsafe practices, eclipsed ours. To some degree, our shareholders had to pay with the lost opportunity of not investing in other, higher growth bank stocks while our stock appreciated little. Now, they may be somewhat vindicated that our stock price remains relatively stable, but we are asking them to take a significant loss of earnings and/or capital to rebuild the insurance fund which is to pay for the practices they wisely decided to avoid in the first place. Your proposal further obscures the advantages to investing in bank stocks and will likely further delay or eliminate the possibility of rebuilding investor confidence in our industry.

We appreciate the opportunity to comment.

Sincerely,

Don D. Jennings
CEO, First Federal Savings Bank of Frankfort
President, Kentucky First Federal Bancorp