From: Bob Vogel [mailto:bobvogel@newmarketbank.com]
Sent: Monday, March 02, 2009 3:06 PM
To: Comments
Cc: Marshall Mackay
Subject: RIN 3064-AD35

My name is Bob Vogel and I am President of New Market Bank, New Market, Minn. We are an $80 million community bank located in the southern part of the Mpls - St Paul metro area. I am responding to the above referenced matter about the proposed FDIC special assessment.

Although we are a healthy bank we have experienced stress due to the residential construction collapse. For 2008 we reported net income after taxes of just over $90,000.00. Our budget for 2009 looks only slightly better because we are being very aggressive with our provision for loan loss so we can ensure we maintain our healthy bank rating, and can continue to service our customers with the loans they need to fund their businesses.

Your proposed 20 BP "special assessment" (approximately $120,000.00) in addition to our newly increased regular assessment (approximately $80,000.00) has the potential to wipe out much of (or maybe all) the profit we are projecting which will result in very little addition to our capital for 2009. Since our capital will not increase much if at all (as was the case in 2008 as well), and it is our intent to maintain strong capital ratios (like most other community banks in our area), we will probably be forced to start restricting lending since we will not be able to tolerate an increase in our portfolio while maintaining good risk base and tier one levels in our capital structure.

Just as was the case in the 1980's when FICO bonds were issued to bail out the large S&L's that were closed, this proposal again makes us, and ultimately our retail and small business customers, pay for the federal government's policy of "too big to fail". Not only is this very unfair because small banks have always said that "too big to fail" was not the way to regulate the large banks, but it again passes on the cost of poor decisions of the federal government's policy makers to small banks and businesses that had very little or nothing to gain from the failed and unsound policy of "too big to fail"

We know we must work through our issues as we have in the past (we are in our 103rd year of operation) but would like you to explain why it is fair to again penalize us for something we said would not work in the 80's, as well as the late 90's and into this decade (too big to fail), by assessing us (community banks) for what was considered to be national policy (too big to fail). I continue to believe as I did in the 80’s that the shortfall should be addressed in other ways by the policy makers who decided it was OK to let such huge financial power be vested in so few entities without a sound method of having them reserve for the losses and special problems they could create and the resulting impact to the economy as a whole..

I beg you not to jeopardize our future with a simplistic assessment approach and allow the people who engineered this fiasco to hind behind the issue by charging us who did not condone or cause the problem. If you accept this proposal I can state with almost 100% certainly that you will seriously harm those of us who are best positioned to help bring us out of this crisis by keeping the everyday consumers and small business community alive and someday again prospering. The choice is yours, either you charge those who caused the problem, or you impose long term harm on those who did not.