From: Kevin Kutcher [mailto:kkutcher@libertybellbank.com]
Sent: Monday, March 02, 2009 2:24 PM
To: Comments
Subject: opposition to special assessment

Liberty Bell Bank opposes the special one time assessment simply as it is an unfair and unjust disproportionate burden.

As a banker and on behalf of our bank – Liberty Bell Bank and its governing Board and Officers, who have taken our responsibility of safe and sound banking seriously since inception we find it unconscionable and arbitrarily unfair that we are among the "penalized" paying for the sins of the now too big to fail – a failure, by the way, of regulatory authorities, agencies and politicians asleep to the risks inherent in unbridled growth. Too big to fail is actually simply too big to manage – a fact proven as much by the problem institution's managers as much as by the regulators who, in the business of the same, failed to recognize and conatin the risks as well. Appropriately run, well capitalized institutions should not bear this burden. Chairman Bernanke himself stated it all too well in his comments to the Independent Community Bankers Association 2008 convention in Orlando when he opened his speech acknowledging to the audience at hand – "it is unfortunate that you who have little to do with the problems before us will bear a disproportionate burden in the process of our addressing the issues". How little did we realize that the FDIC would eventually ensure the significance and accuracy of his words.

Please reconsider the special assessment. The increased premiums are already an undue burden. As long as there is such a priority to address matters perhaps an acceleration of the considerations to truly "risk-base" premiums by correlating asset and loan risk would be far more appropriate. To our knowledge and observation no bank has ever failed on the basis of risky deposits but rather risky assets and poor liquidity and capital management. We painstakingly go about enduring regulatory examinations that exact ratings that likely reasonably reflect the risks certain institutions pose to our system. Well run banks have long priced loans to risk – why does the FDIC not charge premiums relevant to risk? It seems so simple.

Community based banks remain as active lenders – at least on "main street". Like all "real" banks we are adjusting to the market forces at play as we only now begin to recover reasonable margins after such aggressive Fed rate actions of the recent eighteen months or so. Beyond our recovering from such Fed rate shock we've endured unreasonable deposit pricing pressure caused by the very same "too big to fail" types desperately trying to maintain liquidity.

It is altogether possible as well that a single one time assessment as material as that as is being anticipated to come on September 30, 2009 may also push some banks below a traditionally well capitalized total risk based capital ratio that will in turn increase unfairly and unjustly increase their ongoing FDIC premium as a result. **Talk about double jeopardy!!**

If no consideration is given to these suggestions at least please consider spreading this **penalty assessment** over reasonable time to at least avoid the risk of unfairly and unjustly potentially pushing a bank below the well capitalized threshold and costing the innocent even greater burden and harm.

Frankly it is the community bank that is still prudently lending and will likely be the true street level catalyst to assist, if not engage, economic recovery. Why put us in a position to do anything but be part of the solution rather than any part of the problem – particularly since we are NOT part of the problem.

Thank You.

Respectfully,

Kevin L. Kutcher
President/CEO
Liberty Bell Bank
145 North Maple Ave.
Marlton, NJ 08053
Ph: 856-830-1122
Fax: 856-797-6794
kkutcher@libertybellbank.com