

From: DALE B. STEINLAGE [mailto:dsteinlage@ncfsb.com]
Sent: Tuesday, March 03, 2009 8:37 AM
To: Comments
Subject: special assessment

Good morning,

As President of a small savings Bank in west central Ohio I am appalled at the thought of a special assessment. Appalled might be a strong word. I know something is necessary, but 20 basis points charged to all insured institutions is grossly unfair. Those banks that have been known to be too big to fail should have been paying considerably more in FDIC premiums than smaller institutions like New Carlisle Federal Savings Bank in Ohio. The large megabanks should have been paying much, much more in premiums. With rare exception, community banks are not the problem, but yet we are again being looked at as the solution. A few large megabanks hold most of the deposits in the nation, yet pay the same premium as community banks. Sure there are many more smaller banks to spread the cost across, but we didn't contribute to the problem, or if we did we did so in a much lesser degree. My institution did not bring any of this upon the FDIC, but yet I am willing to accept a much more reasonable assessment amount to stabilize the FDIC. We need the FDIC. I'd suggest 5 basis points for us, and a sliding scale up to 50 basis points for the too big to fail megabanks. You know who they are.

In the mid to late 80's we had to pay a special assessment to recapitalize the FSLIC with the S&L bailout. That was an enormous expense for our small Bank, causing us to operate in the red for the first time ever (we're now 125 years old). This bailout (assessment) combined with what is sure to be extreme loan loss reserves (overkill) expected after our next OTS exam could have the same result. It seems to me that the FDIC, the OCC and the OTS all are much too reactive, not proactive in anticipating problems. FDIC premiums should be fairly charged for the amount of risk each institution poses to the system. Clearly this has not been the case with the megabanks.

Sincerely,

Dale B. Steinlage
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