

From: Ray Kaltenbaugh [mailto:r3kal@mcsbank.net]
Sent: Tuesday, March 03, 2009 9:29 AM
To: Comments
Subject: FDIC one time assessment plan

Chairman Bair;

I listened to the Friday FDIC meeting where the motion to assess a one time 20 - cent special assessment on all "banks" was passed. As President of Mercer County State Bank - a small community bank in Western Pennsylvania - the ramifications of that act is staggering. We worked very hard to achieve a solid year in 2008. It wasn't fantastic, but it was solid. We felt that the increased FDIC fees in 2009 would be painful but manageable. With the passage of the one time assessment our total FDIC premiums will be \$700,000. For a bank that has been striving to achieve net income of \$2 million, we were just short of that goal last year, that charge of \$700,000 is staggering. To add insult to injury, those "banks" that caused the problem will be paying a disproportionately smaller amount than the Community Bank sector will be paying. By granting banking powers to GMAC Bank and other Wall Street Banks that desperately needed the FDIC safety net for their depositors, those of us who have contributed our fair share over many years are feeling we are being unfairly treated.

I felt very proud of the comments made by outgoing member Reich. From my viewpoint his comments were right on target and he expressed them much better than I am able.

I would ask that in this 30 day interim period consideration be given to change the assessment so that those institutions that have caused the major problem and those newly created "banks" would bear the majority of the burden to fix the problem. I am not advocating we ask for a bailout.

Thank you for this opportunity for comments.

Sincerely,

Ray Kaltenbaugh, CEO
Mercer County State Bank