

From: SMSavat@merchantsbank.com [mailto:SMSavat@merchantsbank.com]
Sent: Tuesday, March 03, 2009 9:27 AM
To: Comments
Subject: Special Assessment

I am certain that you are getting a significant amount of feedback regarding the new ruling which includes the Special Assessment. I have never before contacted a representative or government entity, but I felt that this was a time that I must. As a community bank, Merchants Bank has made smart decisions for our customers, employees, shareholders and community. We have been there for our customers and community to support and help get through this economic mess.

This special assessment would cost Merchants Bank 21% of our projected net income for 2009. This would mean that our employees would forego any incentive compensation which is based on ROE of the organization as a whole. Hardly fair since they have been working hard and this is obviously not something they can control.

I realize that the FDIC must recoup the balances in the insurance fund, however, this assessment will take more community banks out of the picture for supporting the fund into the future. There must be a more equitable allocation of the cost than the flat fee to all banks.

Thank you for banking with Merchants Bank,

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