From: Steven L. Michel [mailto:smichel@hendersonstatebank.net]
Sent: Tuesday, March 03, 2009 11:56 AM
To: Comments
Subject: FDIC Assessment changes

Dear Sheila Bair:

After receiving the increased assessment news on Friday and your letter dated yesterday, I have many strong and some conflicting thoughts. On the one hand, your comments are well taken. As a part of a banker wide fund, we all pay in our share so that if any of us has problems that would diminish the fund, the funds are there to take care of any failed bank's depositors and not use taxpayer funds. This happened during the 80's and 90's farm crises and is obviously happening now. The difference is that when your normally smaller ag banks fail, that is a mere blip on the screen. In the current situation, the whole screen is gone. It is impossible to separate out those banks who caused this problem and charge them more, but an easy and fair solution would be to take a percentage of the TARP money that is flowing mostly to big banks and even non banks, and allocate that to replenish the FDIC fund and eliminate the 20 BP special assessment. This would allow those of us who have been doing things right and do not need extra capital to benefit in an indirect way from this program, by not having to pay this huge assessment. Also, the "Too Big To Fail" banks have an unspoken FDIC coverage on all deposits and by continued actions of the regulators, their depositors know that. That gives them an unfair advantage in raising deposits. They should pay for that on an ongoing basis. Concerning the extra assessments for "excessive" brokered deposit and borrowed funds usage, we rural banks do not have the ability to raise sufficient core deposits to fund any meaningful growth. We must use those other markets. I feel these extra assessments are unfair. I thank you for the huge responsibility you have in your position and your willingness to do this job on behalf of the nation's banks.

Thank you,

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