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GSB
GLENVIEW STATE BANK

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Shelia C. Bair
Chairman
Federal Deposit Insurance Corporation
Washington, DC 20429

Dear Ms. Bair:

I want to express my strong opposition to the FDIC interim rule (RIN 3064-AD35) which imposes a 20 basis point special FDIC assessment on community banks like ours.

Glenview State Bank, like most community banks, has underwritten commercial and consumer loans in a prudent manner. Unlike the giant banks deemed too-big-to-fail ("TBTF"), we did not generate subprime loans or sophisticated financial products around this type of risky lending, which has contributed largely to our nation's economic and financial crisis.

At a time when bank capital is critical, this assessment, in addition to our newly revised regular assessment has significantly impacted our earnings and capital. **These assessments will adversely impact our earnings this year by 30 to 40% or more.**

Large banks that have largely caused this current situation have paid "their share" of FDIC insurance on a much smaller portion of their liabilities than community banks due to the nondomestic deposits and leveraged borrowing. The responsibility for replenishing the FDIC fund should be more substantially borne by the largest banks whose excessive and reckless risk-taking has affected our whole economy.

Community banks such as ours are well-capitalized and continue to lend to credit-worthy borrowers with responsible underwriting conditions. At a critical time when our citizens and small businesses need access to credit, this special assessment will compromise our capital and reduce available credit. There are more justifiable options.

First, the FDIC could **assess premiums based on total assets, both foreign and domestic, rather than on domestic deposits.** The banks that are responsible for our economic crisis would then more fairly pay for the additional risk they place in the system.

Secondly, the FDIC has a $30 billion line-of-credit with the U.S. Treasury that it should access for all or part of its immediate needs. The public has already witnessed the Treasury's massive capital infusions to the TBTF banks, AIG, Fannie, Freddie, and the large auto makers. **This "loan" could then be repaid by the banking sector over a period of time that will not reduce capital at a critical time in the cycle.**

Thank you for your consideration of these comments.

Sincerely,

Paul A. Jones
CEO

Member FDIC

800 Waukegan Road, Glenview, IL 60025 847-729-1900