From: Jack Hopkins [mailto:jhopkins.consulting@gmail.com]
Sent: Tuesday, March 03, 2009 12:54 PM
To: Comments
Cc: 'Tom Sulliver'; 'Tom Schlueter'
Subject:

To whom it may concern:

Since the early inception of our local community bank, Keystone Community Bank, I have been a member of the board and for the past three years its Audit Committee chair. Keystone is part of the Firstbank Corporation family of community banks. Recently we have been informed by the President & CEO of Firstbank of the exhorbitant FDIC Special Assessment to Firstbank Corporation resulting of the "big bank" mishandling of its responsibilities to its shareholders, customers, communities they serve and our nation. We community bankers should not bear the burden imposed on our financial system for the misconduct of these "big banks". I urge you to read the poignant email sent to us by our President & CEO and consider the drastic unintended consequences of the FDIC Special Assessment and then re-consider the actions taken to impose this Special Assessment. Good, responsible behavior on the part of community banks, like Firstbank, is being punished due to the actions of boards, the leadership and staff of the "big banks".

Our President & CEO, Thomas R. Sullivan's remarks follow:

"We have just completed the calculation of the cost of the proposed FDIC Special Assessment to our company, and it amounts to $2,079,000. The 2 basis point proposed increase in fees will cost us another $210,000. The additional cost of $2.3 million to our company this year will virtually wipe out a full quarter of earnings, and it is possible we will post a loss during the third quarter when the special assessment is posted.

Does the FDIC recognize that the "reputational risk" associated with this type of draconian assessment to a community banking organization is truly a Safety and Soundness issue in the eyes of depositors? If a priority of the FDIC is to maintain confidence in the safety and stability of the banking system, this will certainly jeopardize that when depositors see their local community bank announcing a downturn in earnings or even a loss.

The drain on the FDIC fund has been created by the "Too big to Fail" banks - and the FDIC should immediately institute a "Systemically Significant Fee" assessing any organization deemed systemically significant - perhaps $50 Billion in total assets the vast majority of this cost.

This is not a Community Banking caused problem - it is caused by the largest banks in the system, and they should be assessed the cost of this resolution."

Thomas R. Sullivan
President & CEO
Firstbank Corporation
Alma, MI

Thank you for considering the effects your recent actions have taken and for taking appropriate steps to rectify the untenable effects on this nation's community banks.

Sincerely,
Jack Hopkins

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