

From: Tina Call [mailto:tinac@fnbliberal.com]
Sent: Tuesday, March 03, 2009 12:42 PM
To: Comments
Subject: Special Deposit Assessments
Importance: High

To Whom It May Concern:

I am voicing my opinion regarding the special assessment of additional premiums on the deposits of community banks. First and foremost, this additional premium doesn't just make a small dent in our projected earnings for the upcoming year....it makes a tremendous hole amounting to possibly 1/3 of our total earnings. We are talking premium increases of 15 to 17 times what we are currently paying. And that doesn't include the optional 10 basis points that will likely be assessed in June. Nor does it include the increase we are expecting on our regular deposit insurance premiums. Nor does it include the 10bp on transaction accounts we are paying as part of the Transaction Account Guarantee program....a program that we almost felt forced into due to the disclosure requirements associated with it.

We **absolutely** should not be responsible for footing the bill for the large institutions that want to call themselves "banks", yet these very institutions are not held to the same standards or restrictions that we as community banks are subjected to. Community banks did not make billions...or even millions of dollars....from the activities that have gotten this economy into the mess that it is currently facing. Why should we have to foot the bill for the mistakes that were made? Mistakes that were made both on the operational and regulatory sides.

Chairman Sheila Bair commented in her letter to bank CEO's that taxpayer (bailout) funds should not be used to rebuild the deposit insurance fund....I disagree. If the government can continue to inject funds into AIG, why can't they inject funds into the FDIC insurance fund...the deposit insurer? At least the impact of those injections would be visible and would potentially benefit something concrete and measureable.....insured depositors!!!! I do not think that it would "paint all banks with the bailout brush" as she stated in her letter. Rather, finding an alternative source to beef up the insurance fund would leave many community banks viable and still willing to be bankers (accepting deposits and making loans). It would also continue to make investors willing to invest in banks. Strong banks such as ours would continue to operate as usual. ***I am of the strong opinion that it will be the combined efforts of thousands of community banks that may well keep our economy propped up during these trying times.*** These levels of special assessments will do nothing but to hamper and cripple those efforts. I know that the FDIC has always been funded by the banking industry, but we are in a unique time, and maybe an exception needs to be considered. What about the banks that have received TARP money? Are they going to come back to the table and request additional TARP money to pay these extra premiums?

I cannot even put into words the outrage that I feel....we are regulated out the "you-know-what", and we would have been shut down long ago if we would have conducted business in our bank like many of the "too big to fail" banks were allowed to operate. It

was out of hand and billions of dollars were made on many of those practices, and now we, the community banks that have followed the rules, are required to foot the bill.
ABSOLUTELY UNFAIR!

I was an FDIC bank examiner for 10 years prior to becoming a banker. I went through the economic crisis in the late 80's and early 90's during my tenure as an examiner. I always maintained a high level of faith in the banking system, and I was proud to know that the FDIC was funded by the industry and not by taxpayer dollars. My faith, along with my Board of Directors faith, in the banking system is fading fast. Our desire to continue to take the elevated risks that are now involved in lending in our community are dwindling. The desire to continue to try to attract depositors by paying above market rates...including our many public entities that deposit with us....are dwindling as well. We have continued to loan money in our community, despite the strains that are out there due to the slowdown in the economy. We have also continued to pay "above market" rates on our deposits. We are a strong bank, and this is going to have a tremendous impact on us. I can only imagine what it will do to the weaker banks that are already strained. Or the impact it will have when we start fully feeling the impact of the economic crisis in our loan portfolios. We simply will not be able to afford to take **ANY** risk in our loan portfolios.

Again, I feel that the combined efforts of the thousands of community banks may well keep our economy propped up during this crisis. Assessing these levels of premiums on our community banks is not only going to hinder those efforts...it may well stop those efforts dead in their tracks. And, again, it is a "slap in the face" to the banks such as ours that have followed the rules and abided by conservative banking practices.

Respectfully,

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