From: Chris Nunn [mailto:CNunn@downhomebank.com]
Sent: Tuesday, March 03, 2009 2:47 PM
To: Comments
Subject:

This is in response to the one time assessment payable on 9/30/09. With about a 17% total risk based capital ratio for our 6 combined banks, I look at that assessment as nothing short of unreasonable. It'll knock our after tax net income down about 18% to 20% (if we don't have any other business shocks and actually make budget this year. It could be a much higher percentage and for less profitable banks, it will be) and totally destroy our risk tolerance for the near future, effectively tightening credit even more. We are small, but I'd be willing to bet the other well capitalized and profitable community banks will react the same way, and there will be larger economic implications. There are obviously other ways to replenish the fund in the short term, allowing banks time to pay in. Further, a uniform assessment that does not take a bank's risk profile into consideration unjustifiably punishes the very banks who avoided the recent pitfalls and are best equipped to help lead the financial system out of it's current state. In short, the assessment is so large it will affect the way banks operate. There will be less risk taking and will reduce banks appetite to grow and invest.

Chris Nunn
Chief Financial Officer
Security Bancorp of Tennessee, Inc.