

From: Tim Aiken [mailto:taiken@hometownbanc.com]
Sent: Tuesday, March 03, 2009 3:40 PM
To: Comments
Subject: RIN number 3064-AD35

March 3, 2009

Dear FDIC:

I am vehemently opposed to the manner in which the FDIC is proposing to enact a 20 basis point special assessment on all insured banks. I am especially opposed to the disparate treatment of and effect upon community banks, the vast majority of which had no hand in the events that have wreaked havoc upon our country's banking system and the economy.

The Federal government is pouring trillions (by the time you account for all of it, plus interest).....of dollars into Fannie Mae, Freddie Mac, AIG, Citibank, Bank of America, and others. The dollars given to Citibank alone could have easily replenished the FDIC fund.

In her letter to all bank CEO's on March 2, 2009, FDIC Chairman Bair makes the case against turning to U.S. taxpayers to replenish the FDIC fund. I wish to counter that argument. My bank is owned by individual shareholders, each of who pay taxes to the Federal government. The proposed special assessment will cost my bank \$300,000, thus ultimately costing my shareholders, *who are taxpayers*, \$300,000. At the individual level, it will cost a shareholder who owns 1% of the bank, \$3,000; a shareholder who owns 5% of bank, it will cost \$15,000; and it will cost our ESOP, which owns 11% of the bank, a total of \$33,000. Ms. Bair's contention that the FDIC fund is bank-funded is thus false; in the end, it is the shareholders of the banks who ultimately bear the burden of the special assessment, *and the shareholders are taxpayers*.

I believe the special assessment needs to be both risk-based (as is the annual assessment), and also that it should take into account the assistance provided to "systemically important institutions", as mentioned in Ms. Bair's letter. Banks such as Citibank, which have received significant TARP funds, should be required to pay a portion of the TARP funds they receive to the FDIC fund, in addition to any special assessment.

Community banks are willing to pay their fair share to replenish the FDIC fund. However, the emphasis needs to be on "FAIR". As proposed, the special FDIC assessment is anything but fair to community banks.

Sincerely,

Tim Aiken
President / CEO
Union Bank Inc.
PO Box 145 Middlebourne, WV 26149
304-758-2191