From: Lynn Giroux [mailto:LGiroux@essexsavings.com]
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To: Comments
Subject: FDIC RIN 3064-AD35

March 3, 2009

RE: FDIC RIN #3064-AD35

Although it is clear that the FDIC must enact a special assessment to shore up the DIF reserve to cover the deposits of the on-going litany of failed banks, it is not agreeable that institutions such as our own who have conservatively managed our practices and our finances should ever pay more than the institutions that are in trouble. This philosophy punishes good behavior and rewards the poor judgments or poor managerial oversight of struggling financial institutions.

For those institutions in the higher risk categories, there should be no capping or waivers of the assessment fees. For community banks such as ours that have followed appropriate safety and soundness measures (i.e. maintaining the same debt to income standards in good times and in bad; reviewing loan documents and customer information to ensure that appropriate ethics and procedures have been followed; etc.), we would feel that it would be an outrage to exempt weaker institutions from the special assessment or to cap the threshold of the annual rate. Perhaps the weaker institutions should be forced to sell some of their branches to shore up their capital as opposed to allowing an exemption that would continue to foster an unfair playing field between institutions such as ours that has adhered to appropriate standards versus those that did not adhere to consistent standards.

The FDIC needs to look closely at those strong institutions that are still helping the economy, and not place undue or unfair burdens on the stronger financial institutions.

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