

October 9, 2009

Robert E. Feldman, Executive Secretary  
Attention: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street  
NW Washington, DC 20429

Mr. Feldman:

As a long time employee of a local community bank, I would like to comment on the financial institution letter regarding the increase and prepayment of assessments of the risk-based deposit insurance (FIL-58-2009).

Prepaying the three (3) years deposit insurance premiums will provide a short term solution for the FDIC Fund. However, this will become a financial hardship for financial institutions. Our Bank, West View Savings will be required to provide over \$1 million dollars up front to meet this requirement at a time in which profits and liquid deposits from our customers have decreased.

Not all banks have the luxury of having excess cash reserves to meet this new upfront expenditure. To fund this unexpected expense, banks would be required to either divert deposits from lending, borrow funds (at a market rate of interest), sell investments (perhaps at penalty), or sell capital stock. All of these avenues generate additional costs to the banking system.

I believe there is a fallacy in the projections of how much the initial outlay for prepayment was arrived at. An assumption of an increase in deposits of 5% per year is to say the least, extremely optimistic. What if a bank's deposit base were to decline? Would we receive a refund back at the end of the three year period after re-calculating the actual deposit base? What about the time value of money?

What controls are in place to protect the banks from future increases in the assessment? After January 1, 2011, the door is left open. Also, there are no limits on special assessments that can be charged in the future. How comforting can that be with no certainty?

Our Bank and the market as a whole continue to feel the spiraling costs and expenses caused by forces out of our control. Smaller institutions do not have the capital nor resources to continue to bailing out other larger institutions that did not have their internal controls in place. Only so much can be passed on to the consumer. My concern is the long term effect on the community banking system. Will additional smaller banks be forced to sell or close down due to the incremental costs? How would that affect the consumer with less competition?

I would like to request that you review my concerns and re-consider the prepaid and increase of the assessment rates proposal. If you would like to visit my concerns directly, feel free to contact me at (724)935-7400 or by email at [LOANS@WVSBANK.COM](mailto:LOANS@WVSBANK.COM).

Thank you for your kind attention to this matter.

Sincerely,

Richard A. Eichner  
Director of Retail Lending