From: Robin Loftus [mailto:RLoftus@securitybk.com]
Sent: Tuesday, March 03, 2009 4:42 PM
To: Comment
Subject: FDIC Special Assessment

Please accept this letter as opposition to the FDIC Special Assessment. I have now been in banking for 33 years. I have lived through the S & L crisis, and the special assessments imposed at that time and now this. Community Banks are the heart of America. We are the ones that sit face to face with our customers and help them buy their homes or start their business. We counsel them in saving, on how to improve their credit so they can eventually buy a home, how to plan for their child's college expenses and for their retirement. We know their families, their successes and their failures. They are not numbers to us- they are part of our family, our community. Community Banks are not the ones who put people into homes they could not afford to yield excessive profits. We are not the ones who imposed ridiculous fees on our customers and in exchange received 6 figure salaries. We are not the ones who foreclose on properties at the drop of a hat. We are the ones who work to find ways to educate our customers and help them safely achieve their dreams. Community Bankers do not earn excessive paychecks or bonus programs. Frankly, I personally have only had 2 pay increases in the last 5 years averaging 1.2% per year, less than the cost of living increase. My bank not only does not have a company jet- we do not have a company car- we do not have company cell phones or any excess in benefits. Can the mega banks say the same?????

Community Banks are also the ones who have been excessively burdened by outlandish compliance and regulatory costs. If the mega banks had been examined to the same levels as the community banks- maybe our country would not be in the position we are today.

Expecting us to once again pick up the tab for the mega banks is unjust. Mega banks should have to pay a higher premium based on total assets, both foreign and domestic. The FDIC should also tap into the line of credit with the US Treasury. This proposed assessment along with the already drastic increase in premiums will result in banks showing substantially reduced earnings and even losses. Our bank paid $27,500 in FDIC premiums in 2008. In 2009, with this special assessment, we are now projecting our premiums to be in excess of $550,000. Causing Community Banks to show substantially decreased earnings may ultimately scare consumers resulting in runs on Community Banks.

If too big to fail is not proven now- it never will be. Unfortunately, the problem may soon be….. too small to survive. The excessive measures being imposed on Community Banks will only result in fewer banks that just keep getting bigger. Educating and helping consumers make the RIGHT decisions will be lost. Is this really what you want? We need to quit trying to cure the symptoms, and start fixing the problems.

Sincerely,

Robin A. Loftus
EVP/COO
Security Bank

1st Vice Chair
Community Bankers Association of Illinois