



Pilgrim Bank

October 16, 2009

Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

Dear Mr. Feldman:

Re: RIN 3064-AD49; Prepaid Assessments; 12 CFR Part 327; 74 Federal Register 51063,
October 2, 2009

As a community banker, I understand the importance of the protection offered by deposit insurance as well as the need to replenish and preserve the bank insurance fund, particularly in light of the current economic environment and subsequent bank failures. In addition, I applaud the Board of the FDIC for recognizing the impact of the special assessment and regular premium expense on banks throughout the country and proposing alternatives to minimize this impact.

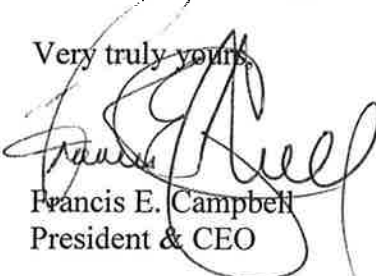
The prepaid assessment appears to be a viable alternative since, in essence, the opportunity cost in our case would be spread out over three years rather than absorbing another 5% special assessment or higher in the current year. However, I would disagree with the calculation method, as proposed.

A deposit growth factor of 5% is arbitrary, to say the least. Many of the community banks experience wide fluctuations in deposit activity over any specific period of time. In addition, the premium increase for 2011 would be calculated on a growth projection that may or may not occur.

There is an invoicing process already in place for assessing premiums. I believe that it would be more appropriate to calculate a three year prepayment based upon the actual premium amount at either September 30, 2009, or December 31, 2009, then adjust and invoice quarterly for the actual changes to the deposit base and/or premium increase. A bank such as ours could easily absorb the relatively minor changes in the expense.

Thank you for the opportunity to comment on this proposal.

Very truly yours,


Francis E. Campbell
President & CEO

FEC/jg