From: Paul Tieskoetter [mailto:Paul.Tieskoetter@eastwoodbank.com]
Sent: Wednesday, March 04, 2009 9:04 AM
To: Comments
Cc: info@icba.org
Subject: FDIC Special Assessment

This 20 basis point special assessment is extremely painful given the current economic times. For our $430 million bank, this special assessment equates to about $750,000 or approximately 15% to 20% of overall annual earnings. With earnings already stressed due to higher loan losses, already increased FDIC insurance costs and lower growth opportunities in the market place, this is too much for the industry to absorb in one year. I also believe this will further complicate the capital concerns for many organizations as well as cause more financial institutions to fail.

We understand the FDIC Insurance Fund needs to be replenished, however trying to do it all in one year is not prudent and wise. I would suggest that the fund be replenished over a ten year period. To provide necessary funding, the FDIC borrow from the Federal Government at a competitive interest rate. The interest costs on this debt can be passed on to all FDIC member banks as a special debt service assessment.

Thank you for giving us the opportunity to comment.

Regards,

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