From: Bob Meyerson [mailto:robm@frontiernet.net]
Sent: Wednesday, March 04, 2009 9:38 AM
To: Comments
Cc: Joe Witt; Marshall Mackay; wabernathy@aba.com; cam.fine@icba.org
Subject: Special Assessment

Dear FDIC:

I do not want to bore you by repeating any of the arguments already made about the special assessment. However, I would just like to add three suggestions that I have not yet heard.

First you could spread the special assessment over 2009 and 2010 instead of taking it all in Sept., 2009. I realize that a special assessment is special because the FDI fund could face a negative balance without it. However, that prospect is not for sure at this point. Admittedly, if and when it becomes a sure thing the other half of the special assessment could be immediately invoked.

Second, I understand Chairman Bair's concerns about taking a loan from Treasury, but what if it were in the form of a mortgage? Of course, this is what a loan from Treasury ultimately is in any case but to secure that loan with something more than just the full faith and credit of the FDIC might soften the charge that we commercial banks are as beggarly and bailed-out as the TBTF banks. It might also cushion any blows coming from Congress -- after all, if you have faith in the resiliancy of the American economy (and what Congressman or woman doesn't), you should have faith in the ability of our commercial banks to pay back the debt.

This idea is reminiscent of the Rentenmark introducted by the Weimar German government after WWI when inflation was so rampant. If I remember correctly, the Rentenmark was backed by the industrial might of the country, even in recovery from the disastrous war, in contrast to the gold which had been drained by reparations payments required by the Versailles Treaty. The ploy was enough to restore confidence in the German Mark and pull the country out of the horrendous inflationary spiral into which it had slid. There are, no doubt, historians (an untapped resource to date) who could assist you with this.

Finally, is there a way for us to put our deposit insurance payments into our balance sheet the way credit unions do, as a kind of capital, similar to our Accumulated Other Comprehensive Income as shown on the Call Report? If the fund is "ours" we should be given credit -- why do the credit unions get to do it and we don't? Maybe we could run it into a new "Tier 3" capital number, or even a muscled up Tier 2, either of which could become more of a benchmark for adequate capitalization. Of course, this capital would be at risk as long as the Fund declines but would be there in some measure while we were replenishing it.

Thank you for taking time to read this proposal.

Robert Meyerson, Pres.
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