

From: Newell, Chris [mailto:Chris.Newell@ANB.COM]  
Sent: Monday, March 16, 2009 4:51 PM  
To: Comments  
Cc: Newell, Chris  
Subject: RIN 3064-AD35

**March 16, 2009**  
*Via email.*  
[Comments@fdic.gov](mailto:Comments@fdic.gov)

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

**RE: Assessments, RIN 3064-AD35**

**Dear Mr. Feldman:**

Amarillo National Bank, a \$2.6 billion asset community bank located in the Texas Panhandle, thanks the FDIC for allowing comments on the proposed special assessment to FDIC Insurance assessments.

**Amarillo National Bank is over 115 years old, family owned and serving a local geographic area with 52% of its market share. We survived the banking crisis in Texas in the 1980's with sensible and conservative banking management; management practices that are still in practice today. We learned from that crisis and neither participated in nor profited from the risky practices that contributed to the present economic situation. Yet, now you want us and other well run community banks to pay for a situation others caused and a corrective plan you chose.**

We are currently paying a heavy price with increased deposit insurance coverage limits (\$100,000 increased to \$250,000) and assessments that skyrocketed. Two years ago our FDIC premium expense was \$200,000 and this year we projected it to be \$3.2 million. With the special assessment it could amount to over \$8 million. That \$8 million represents money that could be wisely used elsewhere to weather the economic crisis.

Fortunately we have lagged behind other geographic areas in the economic recession. However, we are now experiencing the domino affect seeing business set back and rising unemployment, low interest rates and low net margins, competition with liquid starved banks offering ridiculous rates, and fear on the part of customers and community residents.

That \$8 million in added expense represents a decreased ability to lend money at a time when lending activity is encouraged by the government and critically needed in our community. The money lent to business and consumer customers alike has the potential to generate many times the loan amount in economic activity that simply won't happen. It also represents an expense that will need to be offset in other areas such as staffing, developing new services, training and contributing to community development programs. Amarillo National Bank is proud of its "Thanks a Million" contribution program that has been an integral part of our commitment to the community as well as instrumental in our Community Reinvestment strategy which was rated "Outstanding" on our last CRA exam.

**Community banks are being unfairly penalized for the excesses of others.**

- **We suggest a method of assessing premium expense that places more of the burden on those responsible for the current economic downturn such as a systemic risk premium.**

- We also suggest that additional premiums necessary to fund the DIF be spread out over more than one year. The special assessment even at 10 basis points due in September seems counter productive to the intent of the government to address the current crisis.
- We suggest that FDIC investigate other alternatives to temporarily fund the DIF using its borrowing authority or issuing debt instruments and to investigate other alternatives to fund it for the long term.
- And last we suggest that one of those long term alternatives is for FDIC and Congress to recognize the difference between community banks and money center or large regional financial services banks and create a separate insurance fund for community banks or at the least a separate assessment.

Amarillo National Bank understands that these are difficult times for the financial industry and the FDIC. We applaud FDIC for trying to find solutions to the problems that exist currently; however, we don't agree on this particular solution. Please take into account our requests to consider alternatives to the special assessment proposed.

Thank you for this opportunity to comment.

Sincerely,

Chris Newell  
AVP & Compliance Officer