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**From:** steven ammann [mailto:ammanns@bellsouth.net]  
**Sent:** Monday, October 26, 2009 8:30 PM  
**To:** Comments  
**Subject:** Prepaid Assessment for FDIC fund

August 27, 2009

Federal Deposit Insurance Corporation  
Washington, DC

Gentlemen:

I would like to take this opportunity to comment on the reconstitution the Deposit Insurance Fund.

I am a shareholder in Peoples Bank, Mendenhall, Mississippi, a \$185 million community bank in south central Mississippi. I certainly understand the need to raise the balance in the Fund. The option of my bank's prepaying three years worth of premiums seems to me to be the best option. There are of couple of things about the present plan that I would like to see changed, though.

**First, please strongly consider changing the Deposit Insurance Fund assessment calculation to a percentage of total assets minus tier 1 capital instead of as a percentage of total deposits.** I believe that the FDIC made great strides towards fairness when calculating the June 30, 2009 special assessment, using the banks' assets as a base rather than deposits. This is a much more favorable way of calculating the assessment rate for community banks. And, after all, community banks are the institutions that are staying true to their community by drawing the vast amounts of their funding from their local communities and then in turn are loaning those funds back out into their communities. Our bank's deposits represent 86% of our assets. The money that we make to pay the FDIC premiums comes from our return on our assets. Now, look at the big banks like Chase. Their deposit to asset ratio is only 44%. And the other too-big-to-fail banks have similar ratios. So, they are paying premiums on less than ½ of their assets, while we are paying on 86% of our assets. But, both banks make their money off their return on total assets. Does that seem fair at all?? Of course not! Especially considering that the big banks with their mortgage products and derivative products bear a large share of the blame for the mess we are in now. They drove the economy into this recession and now they are bearing the least share of the burden among us in reconstituting the Deposit Insurance Fund. That is not fair at all.

**Second, please also consider eliminating the 5% growth charge from the prepaid assessment. Simply put, by funding the prepayment banks are foregoing the opportunity to invest those funds.** If we don't have the funds to invest the money and benefit from its growth we should not have to pay it out.

The bottom line is we are not asking to be excluded from the economic recovery process just because our bank is healthy. All we are asking for it to be treated fairly.

Thank you.

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