

**From:** GARRY SMITH [mailto:GARRYS@cfsvcs.com]  
**Sent:** Monday, March 02, 2009 10:11 AM  
**To:** Comments  
**Subject:** Increased assessment and special assessment

I would like to take this opportunity to voice my opposition to the increased premium being assessed and the special assessment to take place later in the year. I am Chief Lending Officer of a community bank that did not participate in the ridiculous lending behavior of the large "too big to fail" banks. I do understand that something has to be done to help dig our country out the mess we are in, but penalizing the community banks is not the answer. The large banks were allowed to become too large and unmanageable. They are too big to regulate properly and need to be broken up into more manageable entities. I have been in banking for approximately 30 years have seen how credit standards have been consistently "watered down" for the sake of competition. There is dependence on credit scoring for underwriting credit and not enough old fashioned underwriting. In the name of efficiency we have thrown away these standard underwriting guidelines that have worked for many years, and we are now seeing that they should never have been changed. Our country is now paying the price for credit abuse by consumers and by unscrupulous lenders taking advantage of less informed borrowers. Mortgage products were offered that were not understood by the borrowers and sometimes event the loan originator. The emphasis on sales and incentives to loan originators has taken the professional banking expertise out of the picture and replaced it with quota driven sales persons who know very little about banking. How could we have let this happen!!

Community bankers know their customers and understand the importance of people rather than numbers and statistics. Large banks have lost this perspective and have depended on fancy computer models and Wall Street technicians to dictate guidelines they really know nothing about. Regulations are beginning to choke the life out of community banks, when really all is needed is common sense management, conservative lending standards, and proper accountability procedures for those that abuse the system. These latest moves to put another strangle hold on community banks and hold them hostage for the sins of the "too big to fail" banks is unacceptable and must be changed. There has to be a better way!!

Sincerely,

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