From: David Young [mailto:dyoung@citizensada.com]
Sent: Thursday, March 12, 2009 9:53 AM
To: Comments
Subject: Assessments, RIN 3064-AD35

I am writing to ask that the FDIC re-consider its position on the "special assessment" that was voted on last week. Not all banks caused the current state of affairs at the FDIC, and its underlying fund balances – to force them to step up and pay the same share of the shortfall as the Wall Street and Mega Banks is hardly fair.

I understand that the purpose of the fund is to spread the risk and cost of failures amongst all banks, and accept my membership duty to pay my fair share of that burden, however, I think there are other ways to meet the immediate "crisis" situation that the FDIC finds itself in due to significant losses already incurred from banks that the FDIC should have seen coming years ago when they began the unsafe practices that led to their demise. I have no problem at all with the FDIC accepting government bailout funds to temporarily shore up the fund, and allow member banks to rebuild the fund over the next five to ten years – the problems that drained the fund didn't happen overnight – they have been coming for years, we were just willing to overlook them as the economy was positive enough to keep the problems below the bubble. Since we didn't get here overnight, we shouldn't expect to get healed overnight either! Yes, there is a public stigma that goes with accepting bailout funds; however, it would be at the FDIC level, not at the "bank" level as has been said by some in their reasoning for not accepting those funds. Blame and credit should be where earned, not buried in a special assessment that the public really won't hear about, or even understand.

Once this government aid has been accomplished, the "urgency" can be relieved, and will allow the FDIC time to thoughtfully, efficiently, and fairly determine a course of action to replenish the fund over a time period that will not have such a negative impact on our economy – the current proposed assessment translates into removing banks' ability to loan in excess of **$1.15 Billion** in Oklahoma alone! When this special assessment is paid, that money is no longer available for capital retention required to support loan leverage. It is no longer available to pay salaries. It is no longer available for shareholders. And it is no longer taxable net income, further cutting into the Federal government's budget shortfall. Where does the "public" benefit come from?

As I stated, I understand and accept my obligation to help restore the fund. I just think there are better ways to do it than arbitrarily take liquidity out of our economy in one fell swoop, and to do so without regard to levels of risk / responsibility. FDIC has always in the past made those institutions that were most at risk of needing FDIC funds pay a larger share of the insurance costs. That is only fair – it is the same in the free market world of any other types of insurance, and it is the way it should be. To unfairly "tax" all institutions the same, regardless of level of risk makes about as much sense as taxing all institutions a flat dollar amount, without regard to size. I also believe the fund should be rebuilt over time, not overnight.

Again, by accepting government assistance to alleviate the "crisis" will allow cooler heads to prevail, and more thought can go into a long term plan to restore the fund. Knee jerk reactions to situations are rarely the right reaction as has been proven throughout history. A more fair and balanced approach can be found – one that taxes members based on risk levels, rather than across the board. The solution also needs to take time to accomplish the goal, rather than be immediate and detrimental to the public to which we all ultimately are responsible – our economy can hardly afford the further restriction of liquidity that this large hit would cause.

Thank you for listening
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