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October 28, 2009

Mr. Robert E. Feldman
Executive Secretary
Attn: Comments
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Attn: Comments - **Sent Via Electronic Delivery**

RE: RIN 3064-AD49 – Notice of Proposed Rulemaking Regarding Prepaid Assessments; 12 CFR Part 327;
October 2, 2009

Dear Mr. Feldman,

On behalf of the Oregon Bankers Association and its membership of Oregon's state and national banks, we appreciate the opportunity to comment on the proposed regulation to require insured institutions to prepay their quarterly risk-based assessments for the fourth quarter of 2009, and for all of 2010, 2011, and 2012.

Current economic conditions in the Pacific Northwest present considerable challenges to many of our member banks and will likely continue to do so for the foreseeable future. It is precisely this environment that drives home the importance of the industry-funded Deposit Insurance Fund as a means of assuring customers that their bank deposits are secure. Furthermore, we respect the Federal Deposit Insurance Corporation's (FDIC) role in managing the fund.

That said, while we strongly believe the current proposal is preferable to a second special assessment, the Oregon Bankers Association (OBA) also believes that the FDIC should look at options other than the three-year, pre-paid assessment currently proposed. Consideration should be given to other options that mitigate the level of immediate impact on bank liquidity, which only further reduces lending capacity in the current environment.

We believe exercising borrowing options and extending the period for recapitalization of the fund are both valuable options that the FDIC should utilize. Moreover, if a pre-paid assessment is deployed, FDIC should shorten the initial assessment period to one or two years, instead of the proposed three-year period. This still allows FDIC to require additional pre-payments in future years as need dictates.

OBA stands ready to work with the FDIC to devise a plan that would best serve the interests of Oregon banks and the customers and communities they serve. If you have any questions, please feel free to contact me.

Very best regards,

A handwritten signature in black ink that reads "Linda W. Navarro". The signature is written in a cursive style with a large initial "L".

Linda W. Navarro
President & CEO
Oregon Bankers Association &
Independent Community Banks of Oregon