From: Mark Stevens [mailto:m.stevens@lwcbank.com]
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To: Comments
Subject: RIN 3064-AD09 Assessments

FDIC; 12 CFR Part 327: RIN 3064-AD09

I am very concerned about de novo banks being assessed the “ceiling” rate in a healthy bank category (CAMELS 1 or 2 and well capitalized). I disagree that our financial institution has information that is hard to interpret. In our case the bank is now 1 year old and we have exceeded all of our original expectations. We recently had an examination by the FDIC and we came out very well. We are on the brink of profitability well in advance of our projections, our asset growth is also well in advance of our expectations and all other aspects of our operations are in excellent shape. As recommended by the FDIC and the State, we have made loans to our directors, former customers, shareholders and known entities. All of this activity probably is a better foundation for the de novo banks anyway. The de novo’s seem to be on more regular schedules for examinations, were required to have executive officers pre-approved and other safety checks.

There is also pressure to reach profitability, by the regulators, and we are evaluated and monitored by them constantly. It seems that this “ceiling” rate is contradictory to helping the de novo’s to reach these expectations. At least in the de novo category, it seems more appropriate to assess these banks on how they are doing based on projections, current examinations, etc. If the FDIC is satisfied with the progress of the de novo, then assess the lower rate; if the assessment is not so good, assess at the “ceiling” rate. Don’t penalize for doing a good job.

I would submit that a “new” institution is under five years old, by definition. Unless that institution has never lived up to its projections and is still struggling.

Respectfully submitted,

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