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Sent: Wednesday, September 20, 2006 12:22 PM
To: Comments
Subject: RIN 3064-AD09 Assessments

September 20, 2006

Federal Deposit Insurance Corporation

Re: **FDIC's New Bank Assessment Rate**

Dear Sirs:

I read a review of your plan to assess new banks at the ceiling rate for healthy banks (those with one or two Camel ratings). You indicate the reasons for doing so are:

- Higher failure rate than established institutions;
- Financial information that is harder to interpret and is less meaningful;
- Undergoing of rapid changes in the scale and scope of operations, causing their financial ratios to be fairly volatile; and
- Unseasoned loan portfolios, making it difficult to assess credit risk based solely on current financial ratios.

What you don't mention is that new banks frequently will have a higher capital ratio than older banks and many new banks have seasoned management teams that create strong control environments and credible financial reports.

For example, at our bank:

1. We started with a CEO, Chief Lending Officer, and CFO along with several other employees who previously managed another community bank for seven years; so they bring a great deal of expertise to the institute.
2. We are in a healthy market with a vibrant economy where the bank failure ratio over the past ten years is zero.
3. We do fully complete call reports, peer group comparison reports, and other financial data for the regulators that is submitted in the regulatory format on a quarterly basis.
4. We also are a publicly traded company and therefore release financial results to the general investment community.

Given these strengths of our bank and others similar to us, we see no reason why we would arbitrarily be categorized as a higher risk bank. Instead I would recommend that our bank and other de novo banks' assessments be based on their Camel Rating.

I thank you for your consideration.

Regards,
Wesley W. Sturges
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Bank of Commerce
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