

CentralBank and Trust Co.

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Member FDIC

March 27, 2009

Mr. Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th, N.W.
Washington, D.C. 20429

RE: RIN 3064-AD35 Assessments

Dear Mr. Feldman:

The FDIC proposal to increase premiums by 20 basis points or more is counterproductive to the needs of our country. Increasing FDIC premiums and therefore the expenses of all insured banks will negatively impact banks at the low point of the worst economic cycle in decades. This proposal will reduce bank earnings, bank capital, and funds available for loans that will stimulate the economy.

There are many more items that must be addressed. Federal regulatory agencies are sending a message to the national media that banks should be making more loans to stimulate the economy and free up credit markets. However, regional offices and field examiners are being told that banks should increase capital, increase reserves, increase liquidity, reduce their dependency on the Federal Home Loan Bank and CDARS reciprocal deposits, diversify their loan portfolio away from real estate, and be more stringent and conservative in their loan underwriting standards. All of which reduces credit availability. This mixed message is causing confusion, damaging the credibility of regulatory agencies, and limiting the ability of individuals and businesses to obtain financing to continue with their lives.

I also request that you consider giving full credit for loan loss reserves as a component of capital and not limit that amount. Most banks have reserves that exceed the statutory amount of 1.25%, but are penalized for the prudent excess, because it is not considered a component of capital.

As in the 1980's, community banks are being asked to pay for the financial sins of others and replenish the FDIC insurance funds even though the vast majority of losses were caused directly, or indirectly, by unregulated entities.

Thank you for your consideration.

Sincerely,



Earl D. McVicker
Chairman, President, and CEO