

April 2, 2009

(Via E-mail at Comments@FDIC.gov)
Mr. Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Re: Interim Rule on Emergency Special Assessment
RIN 3064-AD35

Dear Mr. Feldman:

We appreciate the opportunity to provide comment on the FDIC's interim rule to impose a 20 basis point emergency assessment under 12 U.S.C. 1817(b)(5) on June 30, 2009. The interim rule also allows the FDIC Board to impose additional special assessments of up to 10 basis points thereafter to maintain public confidence in the Deposit Insurance Fund (DIF). We fully appreciate and recognize the challenging economic pressures on the DIF, the FDIC, and the entire banking industry, and we fully and enthusiastically support the DIF for the confidence it provides to our customers and the country as a whole. However, we believe, at this critical time, it is vitally more important to restore stability and liquidity to the financial markets so that banks like ours can supply the credit needed to fuel the much-anticipated economic recovery. The DIF should be recapitalized to the 1.15% reserve level, but it should not be done immediately on the backs of banks still healthy enough to be lending in this difficult environment.

Mutual of Omaha Bank is a relatively new player in the industry. We are growing quickly, and are thrilled to have branches, employees, and customers in Arizona, California, Colorado, Iowa, Kansas, Nebraska, Nevada, and Texas. We are even working on expansion plans to Florida and several other markets. Part of those expansion plans include serious consideration of buying failed banks, which is how we acquired our business in the Southwest. In 2008, we purchased a bank from the FDIC out of receivership, making all deposit customers whole. At that time, we paid \$135 million into the DIF to insure deposits that might otherwise have been a hit to the system.

The special assessment, at this sensitive time, is a faulty action. Such a large, one-time expense will impact banks of all sizes. The institutions would be absorbing this significant expense, on top of already increased regular quarterly premium assessments, and in addition to the extra premiums paid for participation in the Temporary Liquidity Guarantee Program (TLGP). This expense, all at a time when our banks' balance sheets are stressed due to the effects of this deepening recession, would be counter-productive to the economic goals and actions already in place. We are working hard at Mutual of Omaha Bank to be a bright spot in this dreary environment; these actions undermine our efforts to provide stability to our customers and employees.

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Mutual of Omaha Bank is a member of the Financial Services Roundtable, and we fully support the proposal from that group to back-load the assessments in the latter portion of the seven-year period, rather than front-loading the fee in 2009. We are also supporting the efforts on Capitol Hill to increase the FDIC's borrowing capacity to help alleviate the immediate pressure on the DIF. There is clearly agreement in the industry and at your agency that we need a strong, financially secure fund in order to maintain the confidence depositors have in the system. We also recognize the need for action. Nonetheless, the timing of this special assessment, with the likelihood of another special assessment soon after, is disastrous for the industry.

Mutual of Omaha Bank strongly urges the FDIC to consider backloading the assessment to focus on the latter portion of the seven years, and taking advantage of the opportunity to borrow for near-term funding.

Once again, we appreciate the opportunity to comment on this very important interim rule. Thank you for your consideration.

Sincerely,

John E. Nahas

Director

Mutual of Omaha Bank