



March 10, 2009

Sheila Bair, Chairman
Federal Deposit Insurance Corporation
3501 North Fairfax Drive
Arlington, VA 22226

Re: RIN # 3064-AD35

Dear Chairman Bair,

I am the President and Chief Executive Officer of the Bank of Santa Clarita and I am writing in response to the FDIC's proposal to impose an emergency special assessment equal to 20 basis points of insured institutions' assessment base on June 30, 2009, and possibly further special assessments if necessary. At Bank of Santa Clarita, we understand that these are difficult times and that the deposit insurance fund is being depleted. However, a special assessment of the size proposed, which comes on top of the recent resumption of premiums and assessment increase, would have a significant impact on our bank's 2009 net income. The assessment will make it more difficult for our bank to provide needed credit in our community and to build capital when most needed.

With our bank's estimated deposit assessment base of \$98,500,000, we estimate that our 2009 regular and special assessment will be \$388,700. This compares to \$101,000 in 2008. To put this in perspective, our 2009 assessment would amount to seventy percent of our bank's 2008 earnings. Also, we estimate that our 2009 assessment would have a fifteen basis points negative impact on our capital ratios at the end of 2009.

Given the impact that the proposed assessment will have on my bank and my community, I strongly urge the FDIC to consider alternatives that would reduce our burden and provide the FDIC the funding it needs in the short term. I support a reduction in the amount of any special assessment to 10 basis points, if not lower, which I understand that the FDIC will consider if its credit facility with the Treasury Department is increased from \$30 billion to \$100 billion. Legislation has been proposed to affect such an increase and I would work to support that.

Finally, I support allowing institutions to spread any obligation over a reasonable period of time, and that the FDIC will commit to lower the assessment if the projected loss to the fund is decreased.

I thank you for this opportunity to provide comments.

Sincerely,
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