

From: Brad Sturm [mailto:bsturm@couleebank.net]
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To: Comments
Subject: RIN #3064-AD37

I am writing to express my concerns about the Guaranteed Liquidity Program (TLGP) and the feeling that my community bank is being "forced" into participation in the program. Despite the turmoil on Wall Street, Coulee Bank has maintained a sound operation for years and has always found an available market for overnight funds without the necessity of insuring such. I cannot help but believe that the TLGP will add a significant cost (75bp) to overnight borrowings, for no apparent reason, and question the need for such a program.

We have a close correspondent banking relationship with Bankers Bank in Madison WI, and have been advised that, with TLGP, the future cost of borrowing may reflect tiered-pricing based on insured, secured or "other" borrowings. Is that an equitable situation for the overwhelming majority of community banks, like Coulee Bank, who are well-run, well-capitalized institutions? Why not direct troubled institutions to the Discount Window and allow all other institutions to continue to borrow through regular channels without a government guarantee?

As of September 30, 2008, Coulee Bank had no unsecured borrowings, and I do plan to contact my primary regulator to understand what "reasonable amount" they might approve if this program moves forward. My question is, what does the date September 30 have to do with setting borrowing limits? Certainly, there is a more practical and pragmatic process that could be put in place to determine borrowing levels.

I do understand there is a choice to "opt out", however given the deep concerns among the general public about the safety of their deposits, the opt out provision includes an implicit stigma associated with any banks that choose to do so. Potentially implying that our bank has weaknesses, leading to a loss of deposit funding from our market base. Furthermore, it is unlikely that Coulee Bank will enter into any term unsecured debt, so this liquidity program will cease for us on June 30, 2009. What happens after June 30, 2009? Might I put my bank at a competitive disadvantage, by opting out and potentially not being eligible for any successor program?

Thank you for the opportunity to respond, please feel free to contact me.

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