From: Allen T Sterling [mailto:allensterling@auburnsavings.com]
Sent: Wednesday, March 04, 2009 8:30 AM
To: Comments
Subject: Assessments

This may fall on deaf ears, but here goes anyway.

As the President of a $72 million savings bank located in Maine, I was ridiculed and taunted by mortgage brokers, real estate brokers and high flyers in the banking world for taking a conservative underwriting approach to mortgage lending. Take more risk, make more money and receive a large bonus were the cries of the times. Swaps, loan packaging and exotic deals were all the rage! You're just a little, insignificant bank anyway they said.

No doc loans, negative amortizing loans, 100% financing loans, not for this banker baby, no way, no how. Who cares if someone can't truly afford a loan just get it closed and then sell it in about 6 pieces, no one will know! Not on my watch! My step son was approved for a $150,000 by a mortgage broker and when I found out the payments would be $200 a month higher than his rent I asked him how did he think he could to not only pay the additional $200 per month but buy oil to heat his home when he couldn't afford cable television? His answer was, "They told me I could afford it".

Not at my shop, I was lending depositors money and they trust that I would lend it prudently as if it were my own money. If we had to turn a loan down, we sat down with the applicant and tried to explain why it was not in their best interests to take on this debt. More often than not they were approved for the same loan by a mortgage broker. I wonder how many of them are in foreclosure now? My Board of Directors would have fired me had we taken on that type of lending risk and rightly so!

So now most of the greedy lenders like Countrywide and Washington Mutual are dead and the government is pouring billions and billions of dollars into Citibank and Bank of America to reward them for poor basic lending practices. TARP money given to large banks has been used to remodel offices and pay huge bonuses and now small community banks like Auburn Savings, who continue to lend and operate as "business as usual basis", are faced with so many new restrictions that they may reject TAPR funds. The big guys win again…..

Now comes along good old FDIC with news that deposit insurance costs will skyrocket. They have to cover the losses for the high flyers that have gone under from poor lending practices.

When will Congress wake up and realize that Community Banks are NOT the cause of this problem and IF a bank decides to become a high flying lender, they should be assessed fees that are proportional to
the imbedded risk in the loan portfolio?

The big guys win again……..

Respectfully submitted,

Allen T. Sterling

President, CEO & Director
Auburn Savings Bank, FSB
Auburn, Maine