

From: Rick Rosinski [mailto:rick.rosinski@wolverinebank.com]  
Sent: Tuesday, March 10, 2009 6:19 PM  
To: Comments  
Subject: Opposition to RIN 3064-AD35: Proposed FDIC Special Assessment pursuant to 12 CFR Part 327

Rick Rosinski  
Chief Operating Officer and Treasurer  
Wolverine Bank  
5710 Eastman Ave  
Midland, MI 48640-2564

March 10, 2009

Robert E. Feldman  
Federal Deposit Insurance Corporation  
550 17th Street, NW  
Washington, DC 20429

Dear Robert Feldman:

We are sending this response on behalf of the entire Board of Directors and Senior Management of Wolverine Bank in Midland, Michigan. We appreciate the opportunity to comment on the FDIC's interim rule that would impose a special assessment of 20 basis points in the second quarter. We have serious concerns about this proposal, but first we want to emphasize that we fully support the view of the FDIC that we need a strong, financially secure fund in order to maintain the confidence depositors have in the system. However, how this is done is very important to our bank and the communities we serve. The special assessment is a significant and unexpected cost to our bank that will dramatically affect earnings. We can't continue to operate at marginal or no profitability indefinitely. The proposed special assessment represents 17% of our 2009 pre-tax income, and combined with the increased assessment rates pushes this to over 30% of our 2009 pre-tax income. We are a primary lender in the Great Lakes Bay Region of Michigan and headquartered in Midland. If we have to curtail our lending, this will have impact far beyond just our borrowers. The cost is so high that it is a disincentive to raise new deposits. Fewer deposits will also hinder our ability to lend. Because of the far reaching impact, this assessment will affect jobs at our bank, our customers, our customer's clients, and our business partners. With the precarious state of the economy, especially in Michigan, losing jobs is of the utmost concern. We are already dealing with a deepening recession, increased regulatory and governmental burden and costs, and a significant increase in regular quarterly FDIC premiums. Each of these is a big challenge on its own - but collectively, they are a nightmare. Given the impact that the proposed assessment will have on our bank and communities, we strongly urge you to consider alternatives that would reduce our burden and provide the FDIC the funding it needs in the short term. We urge you to consider more reasonable funding options, such as;

- Reduce the special assessment and spread the cost of it over a long period of time. The FDIC should spread out the recapitalization of the fund over a longer timeframe as well;
- Use the FDIC's borrowing authority with Treasury if the fund needs resources in the short-run. This is the purpose of this fund and it remains an obligation of the banking industry. Moreover, it allows any cost to be spread over a long period of time;
- Use the revenue that the FDIC is collecting from the Temporary Liquidity

Guarantee Program. There is considerable revenue from those banks that are issuing guaranteed debt to help support the FDIC at this critical time; -Use risk-based assessment methodology for the special assessment to more fairly treat responsible banks. - Limit the assessment base to total deposits, and not expand it beyond this scope to include other liabilities such as FHLB advances; Making these modifications will ensure that the fund remains secure, will protect jobs, and will allow our bank to continue to lend and gather deposits in the communities we serve. We urge you to take these suggestions into consideration when the Board meets in April to finalize the special assessment rule. Sincerely, Richard M. Reynolds, Chairman of the Board Roberta N. Arnold David H. Dunn, President and CEO Dr. Herbert L. Camp Julie Fasone Holder Ron R. Sexton J. Donald Sheets Joseph M. VanderKelen Joell Anthony, Controller and Secretary Jill Gushow, Chief Strategic and Deposit Business Development Officer Rick A. Rosinski, Chief Operating Officer and Treasurer

Sincerely,  
Board of Directors & Senior Management of Wolverine Bank  
989-631-4280  
Chief Operating Officer and Treasurer  
Wolverine Bank