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To: Comments

Subject: Special Assessment

I just finished reading Chairman Blair's letter to CEOs. I can't disagree with the desire to remain independent from government involvement in banking, although the difference is probably smoke and mirrors. The current administration's terrible approach to "stimulus" is all the more reason for banking to remain above the fray, if that is possible.

There is no question that we like a lot of other banks are looking for ways to remain profitable as we deal with credit quality issues, that to some extent have nothing to do with the current economy. Unfortunately a charge off is a charge off and whether it is a result of economic conditions or credit culture doesn't matter. Under normal circumstances we would deal with the issues, maintain earnings, capital and ALLL as best we can, and work our way through this. What is irritating, as mentioned in the CEO letter, is we are subsidizing not just "weaker or poorly managed institutions", but the stupidity and greed of an industry that was backed by Congress. Now and going forward, we just made it easier for the "big banks" to compete with us as they survive and our margins become narrower, with "big banks" chasing the next profit driven scheme on the horizon.

Two things I think should happen. 1) Banks that have received any form of "bail out" should be required to continue contributing at an assessment rate (after this is all said and done) to maintain the fund, at a much higher than those of us that didn't seek "bail out" funds. When we're making the sacrifice to "keep them solvent", why should we be back in the position of them "cherry picking" our strong community industries because they can undercut our pricing due to being held to a lesser standard? At least let them repay our contribution to keep them afloat.

2) Given that Bank is a four letter word, our legislators would never stand for it, but now is the time to streamline compliance and reporting requirements, not to make them more onerous. The latest disclosure requiring additional processing time for disclosures and right to cancel provisions, is another example of government doing what makes great press, but just puts added burden on the providers (banks). In over 30 years of lending, I've had ONE right to cancel exercised and that was because the home they were buying suffered storm damage that made the closing impossible. So, does this sound like the kind of regulation that needs expansion? I don't think so. How about the Patriot Act where we require grilling and identification of my 91 year old mother or other long-term customers of the bank? How stupid is that?

Is all common sense gone? Obviously it doesn't matter anymore whether you're Democrat or Republican, the only goal is pork and maintaining power. The good news is they can't figure it out and they both screw up, so in two years we'll see another turnover in Congress and we can only hope for a split in Congress where nothing gets accomplished!

Sorry for the lengthy response! I am so fed up with politicians that don't have a clue and concerned for the hard working customers of the bank that have to deal with government incompetence! Mike Welsh, President Peoples State Bank of Bloomer, WI