

From: Kathy Brown [mailto:kbrown@first-federal.com]
Sent: Monday, March 02, 2009 1:32 PM
To: Comments
Subject: Special Assessment Impact on Community Banks

To Whom It May Concern:

I am writing in regards to the impact that the special assessment announced last week will have on a small community bank like First Federal of Northern Michigan. We are under immense pressure to improve our earnings by our shareholders, regulator, Board, and employees and this special assessment will make this near impossible as we struggle to assist our borrowers that have lost their jobs and whose home values have plummeted due to the greed of Wall Street and mortgage brokers.

We are a small community bank (under \$250 million) servicing areas that are economically challenged during good times; you can only imagine how our communities are struggling in the current economic environment. In addition, we are in competition with 7 credit unions who all ready have the benefit of not being taxed. I do not see how this special assessment will strengthen the entire banking industry in the long run. However, it is clear to me how many community banks will be one step closer to failing due to the expense of this assessment on top of the premium increases for this year.

I ask that you reconsider your decision and bring some relief to community banks.

Sincerely,

Kathy Brown

V.P. Compliance

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