From: Mike Welsh [mailto:mwelsh@psbbloomer.com]
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To: Comments
Subject: RIN 3064-AD35

The special assessment of 20bp to recapitalize the FDIC fund couldn't happen at a worse time and the idea that performing banks that had little if anything to do with the current "crisis" will be saddled with this expense is beyond belief! We are working to maintain our earnings and continue to serve our communities, but every announcement like this puts community banks in the same bucket with the greedy brokers and financial institutions that got us here.

So now, the banks that didn't participate in sub prime lending, will be put at a further competitive disadvantage as we help fund the losses of the banks that have been "cherry picking" our long-term relationships with low rates and fees, because they were participating in high risk lending practices. What's wrong with this picture?

As a community bank we have worked to maintain a strong capital position and a 1.5% ALLL, so that we would be in a position to weather economic storms. Well, who would have thought that the economic storm would come from the regulators?

I guess the answer for the future should be to draw down our capital position, reduce our ALLL (as suggested by our last state exam), and find the riskiest loans around knowing that someone else will bail us out!

If you hadn't picked up on it, I'm not happy about the current direction! Mike Welsh, President Peoples State Bank of Bloomer, WI