

From: Jim Milroy [mailto:jimm@1ststatebk.com]
Sent: Wednesday, March 04, 2009 9:54 AM
To: Comments
Subject: RE: Assessments RIN 3064-AD35

Chairman Bair:

Based upon your Important Message to Bank CEOs On Assessments dated March 2, 2009, it appears the 30 day comment period is a mere formality. Quoting your letter "We did not want to impose large assessments when the industry and economy are struggling. We searched for alternatives but found none better." From the overall tone of your letter, it appears you are in full defensive mode of the board's decision and it does not seem you are searching for further input or desiring further comments. I believe there are alternatives other than crippling community banks (banks that have continued to lend and work with their customers) with the proposed special assessment. On one hand the government wants banks to free up credit and lend to get the economy going, and on the other, they take capital away from banks in order to do this. Numerous alternatives exist at a time when the federal government is willing to dump money into too big to fail entities such as Citi, AIG and GM. Maybe the government should allocate resources to entities that are small enough to succeed. Yes, Madame Chair, there are alternatives such as temporary funding through the Treasury or allocating the assessment more toward those with systemic risk to the fund. This assessment penalizes the achievers in the banking system and rewards those that have taken excessive risk and are too big to fail. Although it appears to be a mere formality, I respectfully ask the board to seek alternatives to the special assessment that do not disproportionately penalize the community banks in this country.

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