



Since 1913
Member F.D.I.C.
Ainsworth and Springview

July 29, 2011

Jennifer J. Johnson
Secretary, Board of Governors of the Federal Reserve System
20th and Constitution Ave, NW
Washington, DC 20551

Dear Ms. Johnson:

Our bank is an 85 million dollar "community" bank in north central Nebraska who has always taken a great deal of pride in helping our community. That is why it was one of the toughest decisions our Board of Directors ever had to make, when they approved managements recommendation to exit the residential home loan business earlier this year as we couldn't justify the time and energy for the low volume of loans we were putting on the books. We have a relationship with another bank whom we can refer people who are buying a home and need a \$50,000 or larger loan.

Residential loan apps under \$50,000 cannot be sold on the secondary market and a significant number of homes in our area aren't worth more than \$50,000 to begin with. In a year we averaged less than four applications, most of which were for loans less than \$50,000. We put these loans on our books as a five year loan with a balloon payment amortized over twenty years.

As you can see from the attached printout we didn't have a large volume of these loans but felt it something we needed to be involved in as a "community" bank. Sometimes we had to get creative to make the loan, we never had to foreclose on one and I can remember only one of these type of loans being past due. In short, we knew the people and were certain they would perform on these loans and obviously they have.

With us exiting the residential home loan business, the only option many of these people have is the Farm Service Agency with this size of loan. Our vehicle loans are the same size as quite a few of these home loans we made with a tenth of the documentation. We would like to get back in the residential loan market but there would have to be a change in the regulatory environment for us to do that. Your consideration of the unintended consequence of the Dodd-Frank Act is appreciated.

Sincerely,

A handwritten signature in black ink that reads "John Halbersleben". The signature is written in a cursive style and is positioned above the printed name.

John Halbersleben
President

Home Loans

▼ Purpose Code: 140

▼ Only Open Notes

⬆️ Short Last Name: Ascending order

Note Number	Primary Name	Original Cash Proceeds	Principal	Rate Over Split
██████	██████████	\$17,293.45	\$11,036.48	8.6500%
██████	██████████	\$16,000.00	\$10,529.14	7.2000%
██████	██████████	\$22,079.00	\$13,131.67	8.1500%
██████	██████████	\$19,938.54	\$17,961.66	8.6500%
██████	██████████	\$19,484.76	\$15,167.72	7.9500%
██████	██████████	\$11,842.25	\$4,280.68	8.1500%
██████	██████████	\$30,015.84	\$27,221.56	7.2000%
██████	██████████	\$21,543.92	\$19,806.29	7.2000%
██████	██████████	\$25,810.55	\$21,322.14	8.6500%
██████	██████████	\$35,000.00	\$20,281.23	7.4500%
██████	██████████	\$20,976.25	\$18,423.60	7.2000%
██████	██████████	\$21,000.00	\$11,379.60	8.6500%
██████	██████████	\$24,704.76	\$7,828.47	7.4500%
██████	██████████	\$21,600.00	\$20,165.64	7.2000%
██████	██████████	\$20,965.73	\$18,480.00	7.9500%
██████	██████████	\$43,695.45	\$40,767.05	7.2000%
██████	██████████	\$28,000.00	\$15,923.76	7.2000%
██████	██████████	\$25,651.31	\$22,726.76	7.9500%
██████	██████████	\$15,381.00	\$6,278.50	7.6500%
██████	██████████	\$16,009.27	\$12,691.11	7.2000%
██████	██████████	\$11,800.00	\$1,393.61	8.6500%
██████	██████████	\$21,487.05	\$18,694.92	7.2000%
██████	██████████	\$43,794.71	\$14,401.17	7.1500%
██████	██████████	\$82,797.52	\$82,797.52	5.9000%
██████	██████████	\$26,800.00	\$4,665.28	4.1700%
██████	██████████	\$10,482.69	\$6,317.49	8.4000%
██████	██████████	\$13,408.24	\$5,526.26	7.9500%
██████	██████████	\$32,000.00	\$5,950.44	3.8700%
██████	██████████	\$17,448.39	\$2,395.42	7.2000%
Summary		\$717,010.68	\$477,545.17	7.4272%