



UNITED COMMUNITY BANK

Community
MINDED
...Just Like you

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February 6, 2014

FDIC RE: Docket No. OP-1465

To Whom it May Concern,

United Community Bank is a community bank located in the community of Perham which is situated in the Northwestern part of out-state Minnesota. We have total assets of \$245 million serving 13,000+ customers. Our local community is an eclectic mix of both industry and small locally owned businesses which have stood the test of time. The general population is primarily white with a growing Hispanic population.

We appreciate that the agencies recognize the standards ultimately developed will not be part of the examination or supervision process. To do otherwise, would not only be contrary to the statute, but impose unnecessary costs which will ultimately be borne by our customers. Flexibility is the key to the ultimate success of encouraging diversity and inclusion.

A "one-size-fits-all" approach makes no sense given the diverse nature of banks and the communities we serve. Any requirement for diverse applicant pools must be tailored to a specific bank's location and the communities in which it operates. We currently reach out to markets that include all areas of diversity when recruiting for positions within our organization.

As a federally regulated financial institution, we are already sensitive to diversity as we have the Community Reinvestment Act and Fair Lending requirements which are regulations sensitive to issues involving diversity and inclusion, not just in our employment practices but also in how we view our customers.

We currently do not file Form EEO-1 and should not be forced to model our bank's status and practices based on these reports because our bank was exempted from having to comply with these requirements. To now require such a standard would expose the bank to an unnecessary and extended litigation risk and lead to higher costs for our customers.

This Form and others like it were never designed or intended to apply to smaller, rural community banks.

Given the nature of our community and service area, it should be a relatively simple effort to measure our bank's diversity accomplishments. There is no need for an expanded, scientific analysis based on "metrics."

Self-assessment is sufficient and appropriate for banks like ours; any mandate as such is in violation of the statute.

It's one thing to impose diversity standards and parameters on small community banks that are using their own funds to purchase supplies and services from their trade areas. It's entirely another thing to force these same standards on small community banks with respect to which entity they choose to do business with, not to mention that it's well beyond what is authorized by statute.

Thank you for your time.

A handwritten signature in blue ink, appearing to read "C. Cavanagh". The signature is fluid and cursive, with a large initial "C" and a long, sweeping tail.

Charles Cavanagh
United Community Bank
President