



June 1, 2010

Via Email to SafeAccountTemplateComments@fdic.gov

Federal Deposit Insurance Corporation
Attention: Comments
550 17th Street, NW
Washington, D.C. 20429

Re: **Templates for Safe, Low-cost Transactional and
Basic Savings Accounts**

Dear FDIC Representative:

Johnson Financial Group, Inc. ("JFG") is a \$6.0-billion financial holding company headquartered in Racine, Wisconsin, operating through several affiliated companies primarily in the states of Wisconsin and Arizona. Our product/service lines include banking, trust, and investment services (Johnson Bank), an insurance agency (Johnson Insurance Services, LLC), and branded brokerage and credit card services (with joint marketing partners).

We appreciate the opportunity to provide comment on the model Templates for Safe, Low-cost Transactional and Basic Savings Accounts.

We believe any template/outline of services deemed to be basic exclude ANY reference to pricing, including the reference to specific account opening balances, minimum balances, monthly fees, and prices established for other specific/component features/services. First, any reference to numeric values for these account attributes is the first step towards price-fixing by the government. Secondly, no bank can possibly break-even (much less make a reasonable profit) on low balance accounts with the numeric values presented.

For any initiative to succeed it must present a win-win scenario for all participants.

One size, fits all does NOT work and will inhibit a bank's local knowledge of local needs to create an account with the right mix of appropriate features to meet the local

identified need. Establishment of a specific list of account functionality and related pricing will inhibit innovation in markets, products, and technology.

In every geographic market we serve, low-cost financial products are already offered by us and other bank and credit union competitors. To imply that we and other insured financial institutions ignore the needs of low-income households is simply wrong. Johnson Bank is an advocate of the financial well-being of its community members including low- and moderate-income persons. In fact, our efforts have resulted in achieving "Outstanding" CRA over-all ratings in the last 3 successive evaluations and 5 of the previous 6.

Johnson Bank offers low-cost "starter banking" checking and savings deposit accounts, including individual development accounts. We also offer a small balance personal line of credit, which includes overdraft protection, to those who have demonstrated willingness and capacity to repay obligations. These products are aimed at providing basic entry-level financial services. We also routinely participate in financial education through schools and community partners. These activities go hand in hand with our commitment to being a responsible provider of financial services.

The essence of this proposal is that you are requesting us to increase the subsidy to already low-balance unprofitable accounts. It encourages financial institutions to offer an essentially free (to the customer) account product that will in all likelihood degrade to a basic check cashing service at a loss to the bank. The proposal offers the bank no ability to generate income and completely ignores the costs of maintaining every account. The most basic account incurs significant costs which include at a minimum: raw data processing charges related to account maintenance, interchange fees for electronic transactions, physical check processing, the cost of ATM/debit access devices, and account statement generation.

We make no argument that the proliferation of higher cost non-bank financial services is anything but alarming. There is no evidence that a proposal such as this will change the consumer behavior that leads to poor decision making. It is disingenuous to categorize repeated overdrafts and overspending as anything other than financial mismanagement.

The penalties and consequences involved in poor decision making are logical and necessary to incent avoidance of costly financial mistakes. We believe your attempts are misguided and focused on short-term gratification which hurts rather than helps an already often victimized population. Reasonable minimum balance requirements in accounts promote the savings cushion that can help those with unexpected bills and expenses. This proposal lowers the core standards of successful money management. Making prudent economic decisions leads to long term prosperity of our clients.

There is plenty of competition and availability of bank products in most markets across our country. Lack of product availability, low-cost fees, and product functionality are not what keeps unbanked individuals from acquiring basic banking services.

Summary

We believe the FDIC should not create national templates for basic banking services and let local markets, with local knowledge of banking needs, continue to create local solutions that create win-win solutions.

Thank you for the opportunity to comment on these templates.

Yours very truly,

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

John R. Topczewski
Senior Vice-President & Chief Compliance Officer

cc: Richard A. Hansen, President and CEO, Johnson Financial Group
Russell C. Weyers, President and COO, Johnson Bank
Kurt Bauer, Executive VP, Wisconsin Banker's Association