



January 25, 2008

Mr. Robert E. Feldman, Executive Secretary  
Attn: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street N.W.  
Washington, D.C. 20429

Re: Proposed Amendments to 12 CFR 363

Dear Mr. Feldman:

This letter is in response to FIL-96-2007 requesting comments on the proposed amendments to 12 CFR 363.

By way of explanation, let me state that our institution is a community bank and one of two banks owned by a holding company that is headquartered in Montana. Our asset size is approximately \$120 million and our sister bank has approximately \$680 million in assets. The stock of our parent company is not publicly traded.

In general I believe the proposed changes to part 363 should also take into account each individual bank's complexity and risk profile. This will lessen the existing burden on the financial and personnel resources for some institutions.

We are in favor of extending the annual report filing deadline to at least 120 days after the end of the fiscal year, for non-public institutions, with extensions granted for up to 60 days. The current deadline results in a very tight timeline to complete the audit and all the necessary review that needs to occur prior to our filing.

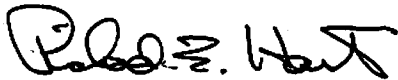
Regarding the independence issue for audit committee membership, it again would seem prudent to consider the individual institution's complexity and risk profile. Given the make-up of an effective board of directors for a community bank, the independence of audit committee membership can be difficult to accomplish and still have effective audit committee membership. Our experience is that effective directors are often major shareholders in the institution as well as important banking customers and more active in the guidance of the institution. Sacrificing their experience, leadership and guidance for technical independence could prove to be contrary to the objectives of the audit committee of a community bank. In theory this might require the addition of additional board members that would generally only contribute in the area of audit committee.

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In conclusion I would like to express our understanding of the importance of a strong audit committee and reliable, timely financial reporting. But I believe consideration must be given to the institution's size, complexity and history of sound financial reporting. Adding complexity, burden and expense to processes doesn't always result in a better or more reliable result.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard E. Hart". The signature is written in a cursive style with a large initial "R" and "H".

Richard E. Hart  
President