



*Dutton State Bank* *Serving Agriculture is our Business!*

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March 16, 2009

Robert E. Feldman, Exec. Sec.  
Attn: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> ST. NW  
Washington, D.C. 20429

RE: ASSESSMENTS, RIN 3064-AD35

Dear Sirs:

We feel the proposed 20 Basis Point Assessment is an unfair penalty to those community banks such as ours that did not cause the problem and are trying to remain solvent members of our community. This fee will increase our assessment from \$3,000 in 2008 to nearly \$50,000 in 2009. If the assessment is reduced to 10 basis points, we will still pay nearly \$30,000 for 2009. The 20 BPS would be 5% of our 2009 gross annual income and 23% of our net for the same year.

The special assessments should be changed to be based on total assets and "risk adjusted" for those large institutions that have been at the root of this problem. At a minimum, banks should be allowed to amortize the assessment over a period of years to reduce the impact to our income and stockholders. An even better alternative would be for FDIC to use its available credit line and then reduce the assessment to a level that will repay the debt over time. These alternatives would reduce the economic shock for our bank and shareholders.

A 20 basis point assessment as proposed, will create a domino effect by putting more banks at risk due to this assessment. The assessment cannot repair in one year what took many years to create. Those banks creating the problem should pay a larger share and all banks should be allowed to repay by amortizing the assessment over a number of years to reduce the impact while trying to survive during this recession.

Regards,



William Galt  
Chairman, DSB

WG/ac