



VIKING
STATE BANK & TRUST

March 12, 2009

Robert E. Feldman
Federal Deposit Insurance Corporation
550 17th Street NW
Washington D.C. 20429-9990

Dear Mr. Feldman:

I appreciate the opportunity to comment on the FDIC's interim rule that would impose a special assessment of 20 basis points in the second quarter.

I have serious concerns about this proposal, but first wanted to emphasize that I fully support the view of the FDIC that we need a strong, financial secure fund in order to maintain the confidence depositors have in the system. However, how this is done is very important to my bank and my community.

The special assessment is a significant and unexpected cost to my bank that will devastate earnings. We are already dealing with a deepening recession, accounting rules that overstate economic losses and unfairly reduce capital, regulatory pressure to classify assets that continue to perform, and a significant increase in regular quarterly FDIC premiums. Each of these is a big challenge on its own – but collectively, they are a nightmare.

Banks like mine that never made a subprime loan and have served our communities in a responsible way for years and years are being unfairly penalized. And, the special assessment is completely at odds with my bank's efforts to help my community rebuild from this economic downturn.

I urge you to consider more reasonable funding options, such as;

-Reduce the special assessment and spread the cost of it over a long period of time. The FDIC should spread out the recapitalization of the fund over a longer timeframe as well;

-Use the FDIC's borrowing authority with Treasury if the fund needs resources in the short-run. This is the purpose of this fund and it remains an obligation of the banking industry. Moreover, it allows any cost to be spread over a long period of time.

Making these modifications will ensure that the fund remains secure and will allow my bank to continue to lend in our community. I urge you to take these suggestions into consideration when the Board meets in April to finalize the special assessment rule.

Sincerely,



Debra A. Ryan
Vice President

321 West Water St., PO Box 429, Decorah, IA 52101-0429
Phone 563-387-0191 Fax 563-387-0193
Member FDIC