
Custer Bancorp

Colorado Mountain Bank - Paonia State Bank - First State Bank of Hotchkiss

September 30, 2009

Ms. Sheila Bair
c/o Mr. Thomas Dujenski
Regional Director
FEDERAL DEPOSIT INSURANCE CORPORATION
Dallas Regional Office
1601 Bryant Street
Dallas, TX 75201

Dear Ms. Bair:

I want to comment on and express my disappointment in knowing that the FDIC did not take advantage of this unprecedented proposal to fund the Deposit Insurance Fund through a three-year prepayment method. While developing this plan, they have chosen not to modify the treatment and formula for the assessment based on total assets less Tier I capital, similar to the criteria used for the Special Assessment earlier this year. In essence, the FDIC has bypassed an opportunity to have a more equitable burden of this responsibility shared with the aggressive and larger banks in this country.

I realize this fund is being maintained by the banking industry during challenging times. Why not use this as an opportunity to modify how these assessments are being charged to our banks? Billions of taxpayer dollars have gone to prop up and support the nation's largest banks. These same banks pay a disproportionate share to the fund relative to their size. During the same period, billions of dollars have been depleted from our Deposit Insurance Fund. This special payment arrangement will not be the last band-aid before additional funding will be needed. Let's get aggressive now and insure all industry members are paying their fair share.

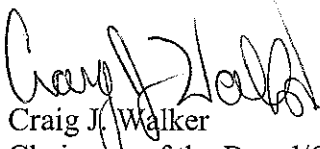
My first question is why did we not act to correct this inequity at this critical, historic point in time?

While we have projected many more bank failures in the coming months, why do we continue to take the expensive route of closing the banks, wiping out the shareholders, then arranging buyers of the dead institution at a greater discount and expense, as opposed to arranging and approving mergers and acquisitions before the bank is on the brink of closure? The fund could save money by avoiding the difficult to estimate Loss

Shared Agreements, which are very costly. If the industry pays for these sales in the long run, rather than have a fire sale after a bank has crashed, this would allow a free market correction without FDIC intervention. Currently, everyone waits for the auction to submit their lowest bids, rather than saving the institutions through free market mechanisms.

I appreciate the efforts of the FDIC in this time of crisis. I also would appreciate bolder, more creative, and equitable methods for solving our industry problems and returning it to good health. Thank you for this opportunity to submit my comments.

Very truly yours,



Craig J. Walker
Chairman of the Board/CEO
Custer Bancorp

CJW/ks

cc: Mr. Joe Meade

Mr. Fred J. Joseph
Ms. Susan Zubradt
Ms. Debbie Meyers
Mr. Kevin Moore
Ms. Mary Stanfield
Mr. Morris Augusta

Governor Bill Ritter
Senator Mark Udall
Senator Michael Bennett,
Congressman John Salazar
Congresswoman Betsy Markey
Ms. Barbara Walker, Executive Director of Independent Bankers of Colorado
Mr. Don Childears, President/CEO of Colorado Bankers Association