



INDEPENDENCE BANK

BRANCHES IN HAVRE • GLASGOW • MALTA • POPLAR • SCOBEEY
Havre (406) 265-1241 • 1-800-823-2274 • (406) 262-9699 Real Estate Department

P.O. Box 2090
Havre, MT 59501

March 5, 2009

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street N.W.
Washington, DC 20429

Email: Comments@FDIC.gov

RE: Interim Rule – 20 Basis Point Emergency Special Assessment on June 30, 2009
RIN 3064-AD35

Dear Sir:

Independence Bank is located in northern Montana. As of December 31, 2008 the Bank had total assets of \$355,807,000, total deposits of \$295,920,000 and equity capital of \$38,064,000. Independence Bank's return on assets was a healthy 1.87% in 2008. Independence Bank was not a participant in much of what now ails the banking industry.

As you know, on February 27th the FDIC adopted an Interim Rule that would impose a 20 basis point emergency special assessment on insured institutions. The Interim Rule also provides for a possible additional emergency assessment of 10 basis points later in the year.

Additionally the FDIC announced that base rates for FDIC assessments will increase from a range of 12 cents to 14 cents per \$100; to a range of 12 cents to 16 cents per \$100.

Following is a summary of Independence Bank's actual and estimated FDIC assessments by year.

• 2007	Actual	\$31,061
• 2008	Actual	\$85,330
• 2009	Budgeted	\$312,163
	Emergency Assessment (20 bps)	\$594,870
	Possible Additional Assessment (10 bps)	\$294,435

March 5, 2009
FDIC Interim Rule Comment
RIN 3064-AD35

In our view the increase in FDIC assessments is excessive. Although Independence Bank could cope with this increased cost on a short-term basis, how many of the institutions that were unprofitable in 2008 (23.4% per your FDIC Quarterly Banking Profile) can tolerate this significant increase? Will you exacerbate the situation with this assessment? There are some that believe this will be another nail in the coffin of small community banks. Frankly, we believe your assessment of the effect on capital and earnings is understated.

We appreciate that the FDIC must deal with the serious deficiency in the Deposit Insurance Fund (DIF). We are prepared to participate with you in returning the DIF to a level that will sustain the system through this difficult period. However, your current plan makes no attempt to allocate a greater portion of the emergency assessment cost to those in the banking industry that have been instrumental in causing the financial crisis. We believe those "systemically important" banks, that have taken the taxpayer's assistance since last October, should bear a greater share of the emergency assessment cost.

Whether we like it or not, the taxpayer is now involved in supporting the banking system and by extension the FDIC. Those banks that have accepted capital etc from the taxpayers, have not only improved their own balance sheets, but allowed them to acquire other weakened banks. This has obviously benefited the FDIC.

Fairness, and the perception of fairness, is important. Without fairness you cannot hope to rebuild confidence in the system.

Thank you for the opportunity to comment on your Interim Rule.

Sincerely,

A handwritten signature in black ink, appearing to read "Miles D. Hamilton". The signature is fluid and cursive, with the first name "Miles" being particularly prominent.

Miles D. Hamilton
President
Independence Bank