

From: sfrancom@beltvalleybank.com [mailto:sfrancom@beltvalleybank.com]
Sent: Wednesday, October 28, 2009 5:25 PM
To: Comments
Subject: Prepaid Assessments: RIN 3064-AD49

Sandra Francom
P O Box 196
Belt, MT 59412-0196

October 28, 2009

Comments to FDIC

Dear Comments to FDIC:

October 28, 2009

To Whom It May Concern:

In response to the proposed 3 year prepayment of the FDIC Assessment, I feel this is a tremendous financial burden on the small Community Banks. As of September 30, 2009, we had assets of \$58,263,000. Our net income for 2008 was \$354,000.00.

In addition to the \$74,000 FDIC assessment we have already paid year to date, our estimated 3 year prepayment would be \$298,000.00 for a total cash expenditure in one year of \$372,000.00. Although this would be carried on the books as a prepaid asset account, the effect that this would have on our cash availability would be extremely detrimental. Our loan to deposit ratio generally exceeds 80% sometimes reaching as high as 95%.

Our deposit base consists totally of domestic deposits. Using a 5% growth of deposits is unrealistic. In a small town with a population of 700 our deposit growth could not be expected to grow at 5% per year. Yet we would have to pay the assessment based on this calculation and then wait until December 30, 2014 for any refund.

I feel the small Community Banks are being penalized for a financial crisis they did not create. They have not failed, but proposals such as this could see the failure of these institutions. The "too big to fail" may turn into "too small to succeed".

The FDIC is an integral part of the financial industry, but creating additional financial hardships on the Community Banks does not appear to be in the best interest of the industry.

Thank you for the opportunity to comment on the FDIC's prepaid assessment proposal.

Sincerely,

Sandra L Francom
406-277-3314