



September 7, 2006

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
Attn: Comments
550 Seventeenth Street NW
Washington, DC 20429

RE: Deposit Insurance Assessments and Federal Home Loan Bank Advances

Dear Mr. Feldman:

Recently, the Federal Deposit Insurance Corporation has issued proposed rulemaking and request for comments on the anticipated changes in the deposit insurance assessments conducted by the Federal Deposit Insurance Corporation. Specifically, I write as President and CEO of Central Bank Illinois, a \$272,000,000 organization, to address the FDIC request for comments on whether the Federal Home Loan Bank advances should be included in the definition of volatile liabilities or whether higher assessments rates should be charged to institutions that have significant amounts of secured liabilities.

Central Bank Illinois believes that the Federal Home Loan Bank advances should not be characterized as volatile liabilities as these liabilities are undertaken with predefined and understood terms and conditions. Unlike deposits, Federal Home Loan Bank advances do not significantly increase or decrease due to circumstances outside the control of our bank. In addition, we have found the Federal Home Loan Bank advances can be utilized to help mitigate overall interest rate risks given a customer's desires with their traditional deposits for a particular maturity which may be inconsistent with the overall bank interest rate risk strategy being employed. The Federal Home Loan Bank advances are used as balancing act and therefore able to reduce the overall risk profile associated with a specific organization.

I believe these same areas of opportunity should also be applied to all secured liabilities and therefore, Central Bank Illinois would urge the FDIC to not include Federal Home Loan Bank advances in the definition of volatile liabilities or to impose a deposit insurance premium assessment on secured liabilities.

I thank you for your attention to my comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'John J. DuBois', is written over a faint, illegible background.

John J. DuBois
President/CEO

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