



FRANKLIN SAVINGS BANK
Come to us for answers

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September 6, 2006

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments, Federal Deposit Insurance Corporation
550- 17th Street, N.W.
Washington, D.C. 29429

Transmitted by e-mail: Comments@fdic.gov

Dear Mr. Feldman,

I write regarding the FDIC notice of proposed rulemaking and request for comment on deposit insurance assessments. Specifically, I would like to address the FDIC's request for comment on whether FHLBank advances should be included in the definition of volatile liabilities, or alternatively whether higher assessment rates should be charged to institutions that have significant amounts of secured liabilities.

Including FHLBank advances in the definition of volatile liabilities seems a mischaracterization. Advances have predictable, defined terms. Unlike deposits, they are a constant and reliable source of liquidity. While larger financial institutions have funding alternatives, smaller community banks, such as Franklin Savings Bank, do not have similar access to such funding.

The FDIC's inclusion of FHLBank advances in its definition of volatile liabilities, or alternatively charging higher amounts for secured liabilities, would pose a harsh penalty for many community banks and provide a strong disincentive for use of advances as a funding source.

Thank you for your consideration.

Sincerely,

Jeffery B. Savage
President & CEO