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September 6, 2006

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 Seventeenth Street, N.W.
Washington, DC 20429

Attention: Comments

RE: Deposit Insurance Assessments and Federal Home Loan Bank Advances

I am writing to comment on the FDIC's proposal to classify FHLBank advances as volatile liabilities and potentially charge those of us who use those advances higher insurance premiums. We oppose that proposal. The FHLBank system has been part of the liability management program for the banking industry since 1932. They are highly stable institutions. Essentially increasing the cost of one of our primary funding sources could increase our risk profile and negatively impact our ability to support the economic and housing needs of the communities we serve.

FHLBank advances are not volatile liabilities. We use advances as a key component of liquidity management. Advances are made with established, predictable terms. Unlike deposits, advances do not come and go with changes in market forces.

If we are discouraged from using FHLBank advances we may need to look to alternative deposit sources which may be more volatile and thereby increase our risk profile. This could result in reduced lending support for our communities, reduced profit for our shareholders and perhaps greater liquidity risk.

The FDIC should continue to determine premium rates based upon our actual risk profile as reflected in comprehensive supervisory ratings. Those institutions engaged in risky activities should pay higher premiums but FHLBank advances should not, by themselves, be indicative of increased risk.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald E. Abrey", is written over a horizontal line.

Donald E. Abrey
President and CEO