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June 16, 2008

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

Re: Deposit Insurance and FHLBank Advances

Dear Mr. Feldman;

Thank you for allowing me the opportunity to comment on the treatment of secured liabilities for assessment purposes and FHLBank advances.

Member Banks use FHLBank advances for short-term borrowings due to market conditions and for liquidity in managing interest-rate risk and funding loan growth. If the FHLB borrowings are factored into the assessment rate, member banks would have to look to other sources for funding thereby increasing costs, reducing profitability and reducing the funds available to loan to its customers. Member Banks would no longer be able to remain competitive and would now have to compete with the larger institutions that have the resources available without borrowing.

In my opinion, an institutions deposit insurance should be based on its risk rating and capital ratios. Banks investing in risky transactions should pay a higher premium for insurance regardless of the funding source for those transactions. Basing a bank's deposit insurance premiums on the bank's actual risk profile is more appropriate for determining premiums and FDIC examinations are a better way of determining a bank's risk profile.

For the past 75 years, the FHLB has been providing funding to it's members successfully. I urge you not to consider these borrowings in the assessment rate.

Sincerely,

Mark Whalen
Senior VP

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