

November 13, 2008

Mr. Robert E. Feldman  
Executive Secretary  
Federal Deposit Insurance Corporation  
550 – 17<sup>th</sup> Street, N.W.  
Washington, DC 20429

RE: Notice of Proposed Rulemaking – Deposit Insurance Assessments

Dear Mr. Feldman,

On behalf of Gorham Savings Bank, I am submitting the following comments regarding the Federal Deposit Insurance Corporation's proposed rule concerning deposit insurance assessments.

FHLBank advances serve as a consistent, reliable source of liquidity for all FHLBank members. The availability of these advances as a means of wholesale funding is especially important to community banks like Gorham Savings Bank. Access to this cost effective funding available through FHLBank allows us to better manage our balance sheets and stay on course with our business strategies.

Under a proposal of deposit insurance assessments, financial institutions that use FHLBank advances greater than 15% of their domestic deposits will face increased operating costs due to increased FDIC premiums. Additionally, without ready access to cost effective funding, community banks may be forced to decrease lending. In this current economic crisis, we do not want to further restrict lending because a policy such as this is implemented.

I strongly urge you not to adopt a policy that would penalize institutions who use FHLBank advances. Before proceeding with assessment reforms, I encourage you to re-evaluate the impact and implications from changes to deposit insurance coverage. Thank you for the opportunity to address this important issue.

Sincerely,



Christopher W. Emmons  
President & CEO