

From: William T. Stapleton [mailto:wts@northamptoncoop.com]
Sent: Tuesday, December 16, 2008 3:12 PM
To: Comments
Subject: FDIC Proposal to Charge Insurance premiums on FHLB advances

Mr. Robert E. Feldman, Executive Secretary
FDIC

Dear Sir:

Recent losses to the fund and the temporary (?) increase in insured deposits have reduced the reserve ratio to considerably less than 1.00 percent. If the temporary increases become permanent, as I think they will, we are in for many years of onerous premium charges. I would mind this less if I were contributing to a dedicated fund, but I know my payments go to the general coffers of the U.S. Treasury which is currently spending money faster than the mint can print it.

That said I applaud the FDIC's proposal to charge higher premiums to banks with FHLB advances in excess of 15% of domestic deposits. Though I am a New England banker and a user of FHLB advances the logic of charging for FHLB advances is clear and compelling. FHLB advances are a priority lien in the event of a bank failure, substantially reducing the assets available to the FDIC to pay depositors. It is past time to recognize that and take a stand to defend the fund.

Bank

Bill Stapleton, President
Northampton Cooperative

Northampton, MA