



December 16, 2008

Robert E. Feldman, Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington DC 20429

RE: RIN 3064-AD35

Thank you for the opportunity to comment on the FDIC's proposal to increase premiums in order to recapitalize the insurance fund and to change the risk-based premiums calculation method. Obviously, a strong insurance fund provided by FDIC is important for depositor confidence but I believe that the proposed changes to the premium calculation will not truly reflect the risk that our institution poses and will substantially increase our premium expenses at a time when all financial institutions continue to face a declining economic environment.

I am writing to offer my comments specifically in regard to the proposed assessment assigned to Federal Home Loan Bank advances greater than 15 percent of deposits. Our institution has used advances for many years for liquidity, mortgage lending and to mitigate the interest rate risk associated with being a mortgage portfolio lender. For these reasons, I would argue that our use of advances has actually decreased our risk to the insurance fund rather than increasing our risk as this proposed assessment would suggest.

As an example, our institution is located in an area that was directly impacted by Hurricane Katrina in 2005. In the years and months since that event, in order to assist our customers and to facilitate the rebuilding of homes along the Mississippi Gulf Coast, we have increased our mortgage loan portfolio by \$53,000,000. This was an increase of over 30% with the vast majority of this increase occurring in long-term, fixed-rate loans. Retail deposit growth was not sufficient to provide the funds for lending so we utilized over \$31,000,000 of long-term Federal Home Loan Bank advances to provide the necessary funds and to offset interest rate risk. This increased our outstanding advances by over 63%.

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Finally, I would contend that the use of advances should not automatically imply that an increased risk to the insurance fund exists. How the advances are used should be the determining factor of risk and not the advances themselves.

Please consider removing or lowering the component for calculating insurance premiums based upon Federal Home Loan Bank advances.

Thank you for your consideration,



Alan Renfro
Sr VP/CFO

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