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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,
Federal Deposit Insurance Corporation (FDIC), RIN 3064-AD09

Dear Mr. Feldman:

First National Bank of the Rockies appreciates the opportunity to comment on the FDIC's notice of proposed rulemaking and request for comment with regard to deposit insurance assessments. In particular we are concerned about the proposal to include Federal Home Loan Bank (FHLB) advances in the definition of volatile liabilities or alternatively to have higher assessment rates for institutions having significant amounts of secured liabilities.

FHLB advances are not volatile liabilities. Such advances offer specific and predictable terms unlike IPC deposits which are subject to withdrawal by the customer. FHLB advances are a viable liquidity source for community banks that lack access to the capital markets for funding. We strongly urge you not to include FHLB advances in the definition of volatile liabilities.

We believe that the examination process and capital requirements are sufficient

to prevent abuses by banks utilizing FHLB advances versus an environment where simply the use of such advances will penalize those banks that access the availability of FHLB advances.

The use of FHLB advances by our Bank have afforded us the ability to better manage our interest rate risk, create secondary sources of liquidity, and to fund loan growth. The FHLB advance option is a viable alternative to increasing deposits providing yet another source of funding our balance sheet – a source we believe Congress intended for banks like ours to have.

FHLB has worked well for its members for over 75 years and more recently its services have helped community banks to remain competitive in an ever increasingly competitive world creating a reliable source of liquidity. We believe penalizing banks for their use of FHLB advances would result in community banks being less competitive and would limit credit availability in the communities in which they serve.

In consideration of the above we urge the FDIC not to include FHLB advances in the definition of volatile liabilities or to charge higher assessment rates to banks holding significant amounts of secured liabilities in the form of FHLB advances.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Y. Waller", written in a cursive style.

Peter Y. Waller
Chairman, President & CEO