



September 6, 2006

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments, Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 29429

Dear Mr. Feldman:

I am writing today regarding the FDIC notice of proposed rulemaking and the request for comments on deposit insurance assessments. We strongly oppose the position that FHLB advances be included in the definition of volatile liabilities.

While larger institutions may have funding alternatives, there have not proven to be reliable alternative wholesale funding sources for the smaller banks. Unlike deposits, FHLB advances are a consistent source of liquidity. Our bank is a frequent borrower of FHLB advances and the impact of this change would penalize our institution and force us to seek other funding sources. These alternative options would likely pose other inherent penalties, such as increased liquidity risk, higher volatility and reduced profitability.

As a mutual bank, Gorham Savings Bank's very mission is to meet our communities' needs for credit to support home ownership and development within our communities. Without access to low cost funding through FHLB, we lessen our ability to meet these needs. I appreciate the opportunity to comment on this proposed change, and ask for your reconsideration of this potential rulemaking.

Sincerely,

A handwritten signature in black ink, appearing to read "CW Emmons", written in a cursive style.

Christopher W. Emmons
President & CEO

CWE:sea
cc: Michael A. Jesse, President & CEO
FHLBBoston