

From: Rick Clements [mailto:rickc@aebank.com]
Sent: Monday, September 18, 2006 4:43 PM
To: Comments
Subject: RIN 3064-AD09 -FHLB ADVANCES

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

Dear Mr. Feldman,

I do not believe that Federal Home Loan Bank advances should be designated as "volatile" liabilities. Our advances have fixed rates and fixed repayment terms. We do not have any advances with calls, options or other extraordinary terms. Any rule change should address liabilities by their inherent risk, not by the source from which they were derived.

Such a designation would adversely affect our ability to fund agricultural, small business and housing loans, reducing credit availability in our rural Nebraska area.

Thank you for considering our concerns.

Richard L. Clements, President
American Exchange Bank
PO BOX 267
Elmwood, NE 68349
402-994-4000