

From: Ron Kranz [mailto:rkranz@firststatebankandtrust.com]
Sent: Friday, September 22, 2006 3:03 PM
To: Comments
Subject: RIN 3064-AD09

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

Dear Mr. Feldman,

This letter is in response to the proposal to include Federal Home Loan Bank advances as volatile liabilities in determining the premium assessments for FDIC insurance.

As a bank that has been using the Federal Home Loan Bank for alternate sources of funding for many years and not at any time have them turn down our request, I fail to see the risk or any volatility to that as a source. It has been comforting at times to have that source available and we watch our needs closely on a daily basis using them only when necessary. They are many times the least costly source of funding and with their flexibility of terms they are a source that can be used for overnight needs or matched for longer term needs.

My experience as a banker for the past 42 years has witnessed many changes in funding the bank. It was easy in the early years to fund the bank with local deposits. Today, however, funding can come from many sources including a very popular choice of the Federal Home Loan Bank advances.

Please consider these comments as you move forward with your decisions. I would be happy to visit with you further regarding my comments.

Sincerely,

Ronald D. Kranz
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