

Hosanna Industries, Inc.

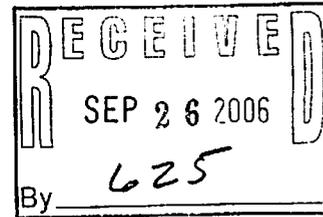
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September 19, 2006

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 Seventeenth Street, NW
Washington, DC 29429



Attention: Comments

Re: Deposit Insurance Assessments and Federal Home Loan Bank Advances

Dear Mr. Feldman:

I am writing in regards to the Federal Deposit Insurance Corporation notice of proposed rulemaking and request for comment on deposit insurance assessments. Specifically, I am writing to address the FDIC's request for comment on whether Federal Home Loan Bank (FHLBank) advances should be included in the definition of volatile liabilities or, alternatively, whether higher assessment rates should be charged to institutions that have significant amounts of secured liabilities. We believe that enacting this rule would be harmful to FHLBanks, their member institutions and affordability and access to housing.

FHLBanks and their members are the largest source of residential mortgage credit in America. It is this credit that has created record homeownership rates and allows homeowners to use the equity in their homes for improvements, retirement and even college tuition.

By penalizing the use FHLBank advances, institution will be forced to either seek less attractive, potentially more expensive funding or curtail their lending. In either case, consumers and especially those on the lower end of the economic scale will be hurt by higher costs and a tighter credit market.

The profits generated by FHLBanks, primarily through their advance products, contribute to the largest low-income housing grant program in the nation. Every year, FHLBanks contribute ten percent of their profits to affordable housing grants.

Hosanna Industries, a faith-rooted non-profit mission that builds and repairs homes for low income households, is often a recipient of those grants. We have utilized funding from Federal Home Loan Bank of Pittsburgh on many of our more than 1700 affordable housing projects. Their funding has enable us to meet needs of homeowners who would

otherwise not be able to afford the necessary repairs on their homes. These clients would eventually find themselves either in homeless situations or in government funded housing projects. We utilize the funding from FHLBank to keep people in their homes, to build better communities, and to provide hope for the future.

FHLBank advances are not a volatile liability for members. They come with wet, predictable terms allowing efficient balance sheet management. Unlike deposits, advances do not diminish when market forces or consumer habits change.

FHLBanks themselves are a core part of the American banking system. As created by Congress in 1932, they have been the standard for stability, surviving the swings of markets, interest rates and business cycles. Their cooperative structure, joint and several liability and conservative business models ensure the future availability of advance products for their over 8000 members.

When Congress created the FHLBank System its goal was a steady stream of mortgage credit through advances. Congress reiterated its support of advances by expanding access to this funding in the Gramm-Leach-Bliley Act. This proposal, which seeks to penalize the judicious use of advances runs contrary to the actions and intent of Congress.

I appreciate the opportunity to comment on this important matter.

Sincerely,



Julie E. Wettach
Financial Steward