

# Audubon Savings Bank

Established 1904

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November 4, 2008

Robert E. Feldman, Executive Secretary  
Federal Deposit Insurance Corporation  
550 Seventeenth Street, N.W.  
Washington, DC 20429

Attention: Comments/Legal ESS

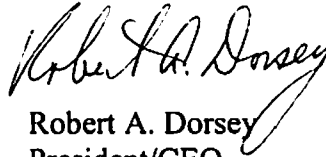
Re: FDIC RIN# 3064-AD34 - Treatment of Certain Claims On, or Guaranteed By,  
Fannie Mae and Freddie Mac

Dear Mr. Feldman:

I would like to comment briefly about the federal banking agencies' proposed rule that would allow banking organizations to assign a 10% risk weight to claims on, and portions of claims guaranteed by, Fannie Mae and Freddie Mac. Federal Home Loan Bank (FHLB) debt should also be permitted the same risk weighting. Since Fannie, Freddie, and the FHLBs are now under one regulator, it does not make sense that holders of FHLB debt should be disadvantaged. By assigning a lower risk weighting to Fannie and Freddie debt, comparable FHLB bonds would no doubt cost more. This increased cost would be passed along to the member banks, many of which are community banks, thus raising our cost of funds. That result would not serve to promote increased lending, something our country desperately needs at this time.

Please treat all of the housing GSEs the same with respect to risk-based capital rules.

Sincerely,



Robert A. Dorsey  
President/CEO