



# Bank of Alma

Alma - Nelson - Pepin - Wabasha  
Member FDIC

November 5, 2008

Mr. Robert E. Feldman  
Executive Secretary  
Attention: Comments  
Federal Deposit Insurance Corporation  
550 Seventeenth Street, NW  
Washington, DC 20429

Re: RIN No. 3064-AD35  
Notice of Proposed Rulemaking – Deposit Insurance Assessments

Dear Mr. Feldman:

On behalf of Bank of Alma, I am writing to comment on the Federal Deposit Insurance Corporation's proposed rulemaking regarding deposit insurance assessments, published in the Federal Register on October 16, 2008. In part, the rule proposes to impose higher risk-based premiums for federally insured depositories that use secured liabilities, including advances from the Federal Home Loan Banks, in excess of 15 percent of domestic deposits. While I appreciate the need to restore the Deposit Insurance Fund, I am concerned that the proposal regarding FHLB advances would increase the cost of funding unnecessarily for my financial institution and discourage the prudent use of advances as a reliable source of funding to supplement core deposits. For these and other reasons explained below, I strongly urge the FDIC to revise or delay implementing the proposal.

Our options for liquidity sources have become fewer as the economic disruption continues. We are very well capitalized (30%) and would not be participating in CPP.

We have an added cost already in borrowing from FHLB. We are required to invest in stock (5% of outstanding). This stock does not pay a dividend and hence increases our cost by 25 basis points.

For the above reasons I request that the FDIC reverse the proposed rule to exclude FHLB advances from the deposit insurance assessment base.

Sincerely,

BANK OF ALMA

William H. Bosshard  
President

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