

STATE OF KANSAS

**RICH PROEHL**  
REPRESENTATIVE 7TH DISTRICT  
LABETTE COUNTY  
510 PINE RIDGE ROAD  
PARSONS, KANSAS 67357  
(620) 421-1804

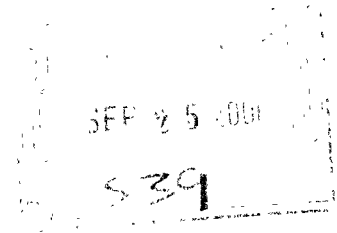
STATE CAPITOL  
TOPEKA, KANSAS 66612-1504  
(785) 296-7641  
1-800-432-3924



HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
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September 15, 2006



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

RE: Deposit Insurance Assessments and Federal Home Loan Bank Advances,  
Federal Deposit Insurance Corporation (FDIC), RIN 364-AD09

Dear Mr. Feldman:

I am writing to comment on the FDIC's notice of proposed rulemaking regarding deposit insurance assessments. I am particularly concerned about the FDIC's request for comment on whether Federal Home Loan Bank 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.

I am Senior Vice President of Labette Bank and a Kansas State Representative for the Seventh District. It is my opinion that as a banker for the past 13 years and a legislator this ruling will have a negative impact on everyone. I do not feel it is in the best interest of my constituents for this ruling to be passed.

As a banker, this ruling will ultimately raise the cost of Labette Bank's FDIC insurance. Thus, we will in turn increase costs that are passed on to our customers. In my opinion no one will win in this situation.

In conclusion, penalizing financial institutions for their cooperative relationship with the FHL Banks would result in banks being less competitive, would limit credit availability in the communities they serve, and would limit their use of a valuable liquidity source, all for no justifiable economic or public policy reason. Therefore, I urge the FDIC not to include FHL Bank advances in the definition of volatile liabilities or to change higher assessment rates to institutions that have significant amount of secure liabilities.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard J. Proehl", written over a horizontal line.

Richard J. Proehl  
7<sup>th</sup> District Representative