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September 22, 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 (RIN 3064-AD09)

Dear Mr. Feldman:

North Akron Savings Bank is pleased to provide comments in response to the Federal Deposit Insurance Corporation's (FDIC) proposed rule on deposit insurance assessments. Specifically, we write to address the FDIC's request for comment on whether Federal Home Loan Bank (FHLB) 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.

FHLB borrowings are an important tool to us to help provide credit in our community to individuals and businesses. We believe that FHLB advances should not be characterized as "volatile liabilities." They are secured extensions of credit with pre-defined and predictable terms and features which create an enhancement to our balance sheet management by reducing our interest rate and liquidity risks.

The effect of the proposal will make banks pursue other sources of funding which could be less attractive and potentially more expensive, resulting in higher costs to the consumer. Penalizing financial institutions with higher assessments will result in us being less competitive and counter-productive to the industry and to the customers that we serve.

Sincerely,

Phillip L. First
Senior Vice-President