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# Congress of the United States House of Representatives

Washington, DC

October 10, 2006

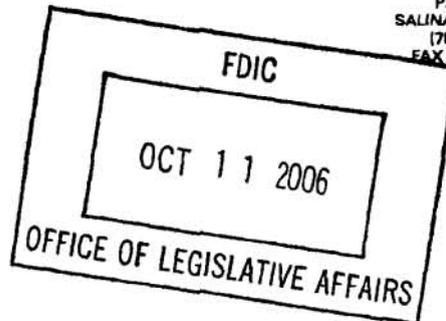
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Mr. Robert E. Feldman  
Executive Secretary  
Federal Deposit Insurance Corporation  
550 Seventh Street, N.W.  
Washington, D.C. 20429



Dear Mr. Feldman:

Small community banks in my district rely on Federal Home Loan Bank (FHLBank) advances to meet loan demands in order to fuel economic growth in rural Kansas. Many bankers across my state have shared with me their concerns about the Federal Deposit Insurance Corporation's (FDIC) proposed rule on deposit insurance assessments. In particular, community bankers in Kansas believe their ability to serve their communities will be harmed if FHLBank advances are included in the definition of volatile liabilities. I am writing in support of their position.

Community banks in Kansas rely on FHLBank advances for liquidity purposes and to manage interest rate risk. If it becomes more difficult for community banks to get advances from FHLBank, these institutions would have to look to alternative wholesale funding sources that are more volatile and often more costly. This would make it more difficult for community banks to meet the financial needs of Kansans.

FHLBank advances are a critical source of credit for community banks and support development in small towns across Kansas. I respectfully ask the FDIC to exclude FHLBank advances from the definition of volatile liabilities.

Very truly yours,

*Jerry Moran*

Jerry Moran

JM:jw