

September 21, 2006

Federal Deposit Insurance Corporation  
550 Seventeenth Street N.W.  
Washington, DC 20429

Attn: Mr. Robert E. Feldman  
Executive Secretary

Re: Comments. Deposit Insurance Assessments and Federal Home Loan Bank  
Advances, Federal Deposit Insurance Corporation (FDIC). RIN 3064-AD09

Dear Mr. Feldman,

The First National Bank of Ordway (Colorado) appreciates the opportunity to comment on the FDIC's notice of proposed rulemaking regarding whether or not Federal Home Loan Bank (FHLB) advances should be included in the definition of volatile liabilities or whether or not higher assessment rates should be charged to our bank if it is determined that we have significant amounts of secured liabilities.

I suppose, in attempting to analyze the situation, we have to call upon the Devil to get the detail. Such as percentages. What is a "significant" amount of secured liabilities? What insurance rate would be charged on these liabilities? How would we allocate which assets are pledged if required?

It is time for review (and publication) of who is paying what percent of premiums if it is determined that the FDIC is under funded. Slicing or dicing may disclose disproportionate allocation of premiums because of mere size of the institutions involved and accessibility to other borrowing markets. The old commercial paper route and captive subsidiaries along with other forms of indirect borrowings may be forced upon smaller institutions.

The 30% "tax" in the form of the 20% Refcorp, and 10% affordable housing assessments that the Federal Home Loan Banks pay on their net income is imbedded as a cost in the interest that they charge. Having relieved the financial pressure on the FDIC

in the critical 80's and 90's shouldn't be duplicated at present unless we are anticipating some sort of financial institution debacle in the near future.

One other question, will you treat borrowings from the Federal Reserve Bank as volatile liabilities equally?

"Banking has changed" is a frequently used axiom; using partial information is dangerous and counterproductive. Raising the assessment rates on a particular segment of the industry is unequal and unfair. The Federal Home Loan Bank advances have become a source of stability and liquidity to the financial system.

Please don't jeopardize what we have so carefully constructed.

Sincerely,

Richard C. Berg,  
CEO & Chairman

RCB/ddr