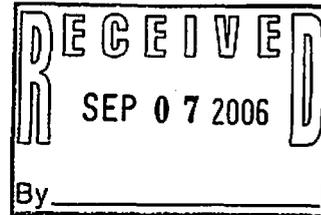




BEDFORD • MANCHESTER • PORTSMOUTH • MILFORD

August 29, 2006



Mr. Robert E. Feldman
Executive Secretary
ATTN: Comments, Federal Deposit Insurance Corporation
550 – 17th Street, N.W.
Washington, D.C. 29429

RE: FHLB Advances / Proposed Regulation Defining as Volatile Liability

Dear Mr. Feldman:

I am writing to express strong opposition to the proposed regulation establishing a new risk-based deposit insurance assessment system, specifically to include Federal Home Loan Bank (FHLB) advances in the definition of volatile liabilities, or to charge higher assessment rates to institutions that have secured liabilities. For Centrix Bank, a community bank in New Hampshire, this would have a highly negative impact.

Advances from the FHLB provide Centrix Bank with reliable and secure funding that allows us to compete with the larger banks. Unlike deposits, advances are a constant and reliable source of liquidity with predictable defined terms. For example, at Centrix, we have been able to establish competitive and meaningful relationships without increasing risk to the bank, by securing matched funding from the FHLB. This funding locks in a reasonable return to the bank over the life of the loan, no matter what interest rate environment we are operating under. This is certainly less risky than using an unmatched traditional funding source.

Centrix Bank is a growing company serving small businesses in southern NH – we need the ability to remain competitive in the communities we serve. The access we have to low-cost funding from the FHLB is an important part of our financial management plan. It is my understanding there is no need to make this change at this time, for policy or economic reasons. I urge you to strongly reconsider these proposed regulations and to allow community banks, like Centrix, to continue to have the FHLB available to meet our liquidity and financial management needs.

Thank you for your time. I appreciate your consideration of my comments.

Sincerely,

Lucy T. Gobin
Senior Executive Vice President, CFO & COO