

BLACKHAWK BANK & TRUST
301 Fourth Street West
P.O. Box 1100
Milan, Illinois 61264

July 20, 2022

James S. Sheesley, Assistant Executive Secretary
Attention: Comments – RIN 3064-AF83
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

It is our opinion that the proposed increase in assessments to commercial banks of 2 basis points is not necessary. Accordingly, we request that the Federal Deposit Insurance Company rescind the proposed increase.

We understand the need to restore the reserve ratio to the statutory minimum of 1.35% by September 30, 2028. We believe it can meet its requirement in the normal and current level of assessment for the following reasons:

- No. 1 – During the COVID Pandemic, deposit totals have greatly increased. Now that the Pandemic is winding down, deposits at banks like ours are actually declining. As we move to a more normal interest rate environment, especially one where the Federal Reserve Bank is no longer purchasing the vast majority of bonds issued by the United States Treasury, and including mortgage backed securities and Issues of United States Agencies, deposits are being withdrawn by bank customers. We expect this to continue.
- No. 2 - There have been only 8 bank closures in the past 4-1/2 years.....and these were mostly small banks. By FDIC's own written statements, the capital ratios of the remaining banks are strong. In other words, there does not appear to be large amounts needed in the immediate future for bank failures.
- No. 3 - While the current stock market decline may have lessened the total value of The DIF, it should be expected that stock market values will return to more normal levels long before September 30, 2028.

We urge the Federal Deposit Insurance Corporation to consider these points and rescind the 2 basis point increase in the Assessment Rate beginning on the first quarterly assessment period of 2023.

Very truly yours,



W. Gerard Huiskamp
Chairman of the Board