

**From:** John Moon <jmoon@backlundinvestment.com>  
**Sent:** Monday, August 22, 2022 11:01 AM  
**To:** Comments  
**Subject:** [EXTERNAL MESSAGE] Deposit Assessment increase

To whom it may concern,

Thank you for the opportunity to comment on this proposal. Backlund Investment Co. is the holding company for two banks in central Illinois. Our banks include Better Banks (Asset Size of \$450MM) located in Peoria, IL and State Street Bank (Asset Size of \$300MM) located in Quincy, IL.

The increase in deposits that our bank has experienced since the beginning of the pandemic has been significant over the pre-pandemic amount. This is largely due to stimulus money that individual customers received through government funding or businesses received through PPP funding. Although the anticipation was that these deposits would largely leave the bank over time, that has not happened to date.

For example, at Better Banks, prior to the pandemic our total deposits were just under \$500M, and in July 2022 they averaged \$700M. So Better Banks deposits are still up 40% even with some recent deposit runoff. I'd guess the FDIC assessment would be somewhere around that (0.02%) times our \$700M in deposits or \$140k.

The proposed two-basis point increase multiplied by the additional deposits on account would drastically increase the FDIC assessment, which is certainly not warranted and would be excessive. A better path would be to decrease the assessment by two-basis points to account for the inflated factor of additional deposits on account. Generally speaking, banks are well capitalized and are therefore not using the FDIC insurance due to bank failures.

Thank you for your consideration.

Thank you,

**John Moon**  
Vice President of Operations

**Backlund Investment Co.**

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