From: Clark Hervert <chervert@fnbord.com>
Sent: Friday, June 03, 2022 11:33 AM
To: Comments
Cc: Clark Hervert
Subject: [EXTERNAL MESSAGE] RIN 3064-ZA32

FDIC
550 17th Street NW
Washington, DC 20429

June 3, 2022

Dear FDIC,

Small, rural banks such as ours have been dealing with changing climate related risks for as long as they have been in business. The farmers and the supporting businesses that we deal with understand drought, wind, floods, and pests which are constantly changing. We maintain higher capital, large loan loss reserves, liquidity ratios, cash flow projections to name just a few for the bank and for our borrowers. The Nebraska region was once described as the Great American desert but is now it is part of the fertile breadbasket of the world. The risks were measured, and we adapted to the risks at hand and still do.

Banks are a critical source of lending to retail and small business in communities across the United States. The FDIC, together with the OCC, Federal Reserve, and other agencies, should ensure that future guidance or regulations related to climate related financial risk allows banks to continue providing loans and other financial services to the communities and customers they serve.

The FDIC must collaborate with the other banking agencies and financial services regulators. An orderly and efficient progression forward dictates that the FDIC work in close conjunction with the other U.S. banking and financial agencies to close data gaps and apply a consistent set of definitions, assumptions, and methodologies. Collaboration will also help avoid unintended consequences and ensure that any rules or guidance are within the issuing agency's mandate. Moreover, to help avoid unintended consequences, it is critical that the banking agencies seek frequent public input from banks of all sizes to ensure supervisory goals and expectations align with current capabilities, are properly calibrated to the risks, and regulations, do not penalize bank customers or the community banks support.

The FDIC should not apply this guidance to smaller institutions until climate-related financial risk is more precisely identified and understood, and the methodologies have evolved. Future supervisory expectations or further regulation will need to be calibrated for smaller institutions, mitigating any negative impact on these small, community banks and their communities. Unintended consequences can be fatal for small, community banks and therefore to their communities. Driving small banks from the market place may bring about more "Climate-related financial risk" management but at what cost to small communities and small banks that large banks will not serve.

Thank you for your time.

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