

From: Scott E. Tschirhart <scott@castrovillestatebank.com>
Sent: Friday, July 14, 2023 9:51 AM
To: Comments
Subject: [EXTERNAL MESSAGE] CSB: May 22, 2023 - Special Assessments Pursuant to Systemic Risk Determination - Notice of Proposed Rulemaking; Comment Request (RIN 3064-AF93)

Mr. James P. Sheesley
Assistant Executive Secretary
Attention: Comments—RIN 3064-AF93
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing regarding the FDIC's proposal to exempt community banks under \$5 billion from the special assessment to remediate the effect the recent large bank failures have had on the deposit insurance fund.

In my position as President & CEO of Castroville State Bank I have seen directly the negative affect the recent bank failures and the action by the federal government to insure all of the uninsured depositors out of the DIF. Although I believe this was a very necessary action to take to try to avoid potential customer runs on banks of all sizes, there is no doubt this action continues to strengthen the idea of "To Big to Fail". Many small banks including Castroville State Bank have seen deposits leave this year and a certain percentage of it is going to the big banks due to the perception of being insured no matter what!

Due to these and other reasons, I strongly support the FDIC's proposal to limit special assessment to the 113 large banking organizations that hold large amount of uninsured deposits and encourage the FDIC to finalize its rule as proposed so that no community banks with fewer than \$5 billion in assets would have to pay any special assessment for the large bank failures of SVP and SBNY.

As mentioned previously in my position I have seen the negative affect recent financial issues have had on small community banks and the customers we all serve and encourage all bank regulators to take into consider the importance of strong financial system that includes institutions of all sizes to serve the needs of individuals and business, both large and small!

In closing, I would like to thank the FDIC for the opportunity to submit my comments on the proposed special assessments.

Scott E. Tschirhart
President & CEO
Castroville State Bank