

From: Andy Johnson <ajohnson@bankofvernon.bank>
Sent: Thursday, July 20, 2023 6:03 PM
To: Comments
Subject: [EXTERNAL MESSAGE] 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 submitting this letter in response to the FDIC's request for comment on special assessments following the systemic risk determinations announced earlier this year in response to bank failures.

I am the Chairman, Co-CEO, and CFO of The Bank of Vernon which was chartered on November 11, 1911 and proudly carries FDIC Certificate #51. We are a \$300 Million CDFI bank headquartered in rural Northwest Alabama, with additional target markets in Northeast Mississippi. We have 5 branches, and 2 of them are the only bank in its town. We have expanded service in our markets by adding 3 branches in recent years. This allows us to better serve our target markets with traditional banking products and services.

I, and our board of directors, applaud the FDIC's decision to exempt community banks with fewer than \$5 Billion in assets from paying any special assessment for the large bank failures of SVB and SBNY, and we encourage the FDIC to finalize its rule as proposed.

We, like most CDFI and community banks, operate in a traditional manner and don't pose a systemic risk to the system as the large banks do that you have identified to pay the assessment. We are well capitalized, operate in a safe and sound traditional banking model, and do not have concentrations in uninsured deposits like SVB and SBNY who held over 90% of these deposits. Furthermore, the added expense would in the end prove to be a burden passed on to depositors. In rural markets, like ours, this would lead to fewer economic opportunities provided by banks in markets that would likely have no bank presence if not for the CDFI and community banks.

We appreciate your consideration and again encourage the FDIC to finalize its rulemaking as proposed.

Sincerely,

Samuel A. Johnson
Chairman, Co-CEO, & CFO
The Bank of Vernon

