

**From:** Michaels, Stacey M <smmichaels@grbbank.com>  
**Sent:** Friday, July 21, 2023 1:13 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 Phil Pecora, President and CEO of Genesee Regional Bank (GRB). I am submitting this letter to emphasize my support for the FDIC's proposal to limit special assessments to the 113 large banking organizations that hold large amounts of uninsured deposits. I applaud the FDIC's decision to exempt community banks with fewer than \$5 billion in assets from paying any special assessment related to the large bank failures of SVB and SBNY.

GRB is a community bank focused on serving the needs of small businesses and consumers in Central and Western New York state. Over the past 25 years, we have grown from a very small bank with total assets of just \$40MM to an award-winning and high-performing bank with assets in excess of \$1 billion. Our growth has been achieved by developing a deep understanding of the needs of the communities we serve and providing reliable, cost-effective lending and deposit services. Even as large financial institutions consolidated or abandoned our region, GRB has been able to grow and thrive.

But it's important to note that GRB, like other community banks, does not achieve growth by participating in risky financial practices simply to "hit our numbers." Large banks are subject to undue pressure from investors, which is clearly at the root of some of the financial industry's largest scandals. In the last decade, large financial institutions have logged a laundry list of costly errors and disgraceful practices – all to please investors. This simply does not happen at community banks. GRB's commitment to the community, to our business and personal banking customers, and to each and every one of our employees drives sound decision-making throughout the organization.

It is vitally important to our customers and our community that GRB's deposits remain available to invest in the local market. It is not in anyone's best interest to use the financial resources of safe and sound community banks to bail out large banks that failed to operate in that same manner. If applied to local community banks, special assessments would have a negative impact on their income, and many would likely be forced to pass on higher assessment costs to customers or to take other drastic measures to offset increased expenses.

In summary, I commend the FDIC for crafting a proposal that avoids a "one-size-fits-all" approach to the special assessment and exempts community banks from paying any special assessment related to the failures of SVB and SBNY. I encourage the FDIC to finalize the rulemaking as proposed.

Thank you for the opportunity to submit comments on the proposed special assessments.

Sincerely,

Phillip L. Pecora  
President and CEO

Genesee Regional Bank  
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**Stacey Michaels**  
VP, Marketing Director

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