From: Sharon Anderson <sanderson@wiltown.com>
Sent: Friday, July 21, 2023 8:52 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)

[redacted]

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.

As President and CEO of an approximately $218 million community bank in Williamstown, WV, I first of all want to applaud the FDIC for realizing the need to exempt small banks from the special assessment stemming from the failure of SVB and Signature Banks earlier this year and want to encourage the FDIC to finalize its rule as proposed.

The specifics surrounding these recent large bank failures point to unmanaged risk that when left unchecked pose systemic risks to our entire financial system. Small banks like mine manage our risk every single day. When we are examined, we spend hours showing how we model and manage our interest rate and liquidity risk regardless of the rate environment. We show that we don't throw all our eggs into one basket and create concentrations of risk that could harm our customers should the rate environment change. I explain how we would pivot and manage our balance sheet when rates crash overnight and how we are sure not to create such a mismatch in the first place.

The astronomical amount of uninsured deposits at these two institutions combined with heavy concentrations and poor risk management are what ultimately caused these banks to collapse. Community banks by nature do not take on this level of exposure and risk. We live and work in the communities we serve, taking local deposits and making local loans while properly managing our risk so that we remain safe and sound in any environment. We make sure we take care of our customers' money and their trust.

The large banks that knowingly create these situations which pose systemic risk, or who benefit from the failures of such banks should shoulder the burden of special assessments, not the community banks who work hard to operate consistently in a safe and sound manner. Our assessments just went up as a result of the stimulus pumped into the economy during the pandemic and an additional increase on top of this greatly affects our income and ability to give back to our local communities. There is little to no benefit to small banks paying a special assessment considering our business models do not encourage our engaging in these risky practices.

On behalf of small banks like Williamstown Bank and others across the country, I want to commend the FDIC for taking community banks into consideration when creating this proposal and want to strongly encourage finalizing the rule as proposed.

Thank you so much for your consideration and support of the community banking industry, we do not take it lightly and we know your support helps us better serve and retain the trust of our customers.

Respectfully submitted,

Sharon Anderson
President & CEO
Williamstown Bank
Williamstown, WV
304-375-3001

Sent from my iPhone