



Melissa Hartman
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July 25, 2025

Jennifer M. Jones
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Re: Support for Proposed Change to FDICIA Asset Threshold (RIN 3064-AG15)

Dear Ms. Jones:

I am writing on behalf of Atlantic Community Bankers Bank, a bankers' bank, with assets of approximately \$950 million as of June 30, 2025, to express our strong support for the FDIC's proposed rule to raise the asset threshold under Section 36 of the Federal Deposit Insurance Corporation Improvement Act (FDICIA) from \$1 billion to \$5 billion. This asset threshold update will more appropriately align the regulatory framework with the modern banking landscape and reduce the compliance burden on smaller institutions that pose minimal systemic risk.



Support for the Proposed Threshold Adjustment

The \$1 billion asset threshold was established more than 30 years ago. Since then, inflation, industry consolidation, and organic growth have significantly altered the size and scope of community banks, including bankers' banks. Today, many of our client banks that have surpassed the \$1 billion threshold remain community-focused and operate with a limited geographic footprint and low complexity. The current threshold has served as a deterrent for many banks considering organic expansion to continue to serve their customers/clients or merger opportunities to further support the surrounding communities. In addition, these banks are subject to extensive audit and internal control requirements designed for larger, more complex institutions.

By raising the threshold to \$5 billion, the FDIC appropriately differentiates between community banks (and bankers' banks supporting them) and larger institutions, allowing for a more risk-based and proportionate approach to regulation. This change will help institutions like ours continue to invest in our client banks that serve their communities rather than allocating outsized resources to compliance infrastructure not justified by our risk profile.

Benefits to Community Banks and Their Customers

This proposal will result in cost savings (internal audit hours, external audit work, staffing, etc.), better operational efficiency, and the ability to redirect internal resources to innovation, client centric initiatives, and local lending. It also encourages growth among smaller institutions (both organic and through acquisition) by removing a hurdle based upon an outdated \$1 billion threshold.

Encouraging Risk-Based Oversight

We also believe this change supports the FDIC's commitment to a risk-based supervisory model that focuses regulatory oversight where it is most needed, without compromising the safety and soundness of the banking system. Institutions below \$5 billion will still be held to high standards of governance and oversight without imposing disproportionate burdens on their operations and staffing.



Conclusion

We commend the FDIC for proposing much needed shift to a modern threshold. Raising the FDICIA asset threshold to \$5 billion will strengthen the community banking sector, and the bankers' banks support of this sector, and ensure that regulation keeps pace with economic environment.

Thank you for your thoughtful consideration of this important issue. We strongly support the FDIC's proposal.

Sincerely,

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Melissa Hartman
EVP, Chief Financial Officer & Treasurer
Atlantic Community Bankers Bank



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