BancFirst
CORPORATION

[redacted]

DAVID E. RAINBOLT
Chairman

August 21, 2025

Ms. Jennifer M. Jones
Deputy Executive Secretary
Attention: Comments – RIN 3064-AG15
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Re: Comments on proposal RIN 3064-AG15 Adjusting and Indexing Certain Regulatory Thresholds

Dear Ms. Jones:

On behalf of BancFirst, Oklahoma City, Oklahoma, we appreciate the opportunity to provide our comments to the proposal by the Federal Deposit Insurance Corporation ("FDIC") for adjusting and indexing certain regulatory thresholds in the FDIC regulation. In general, static thresholds based upon asset size appear to be simple, but loosely correlated approximations for measuring an institution's complexity and risk profile. Importantly, the statutory nature of some thresholds legally constrains or, at a minimum, has a chilling effect on regulators' ability or willingness to tailor supervision as institutions cross those limits. The consequence being that statutory asset thresholds lead to a "one size fits all" application of regulation and related guidance.

The $10 billion asset Large Insured Depository Institution (LIDI) entry threshold was established in 2008 by regulatory definition, then codified in the Dodd-Frank Act in 2010. Obviously, there have been both nominal and real changes in the size of community banks since then that should be adjusted for. However, we firmly disagree with the proposal to simply use the percentage change in the non-seasonally adjusted Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) as the index. By definition, it does not include real changes in many factors effecting bank asset size. Consequently, we have chosen to respond only to Questions 21 and 22 regarding the proposed indexing methodology and the alternative approaches.

Question 21: What would be the advantages and disadvantages of using GDP for updating and indexing thresholds within FDIC regulations?

We believe that using GDP for the index creates a more valid measure of bank expansion than CPI-W. Growth in banking industry deposits and assets is driven by economic activity, monetary policy, and the money supply. As illustrated in the proposal, nominal GDP has increased by 299 percent over the past three decades, while the CPI-W rose only 111 percent. Over the same period, total bank assets actually increased 380 percent, and total bank deposits grew by 432 percent. Clearly, GDP is far more highly correlated with bank growth than inflation alone.

Question 22: What would be the advantages and disadvantages of using measures of banking or financial sector activity for updating and indexing thresholds within FDIC regulations?

As noted, the banking industry and the broader financial sector have grown significantly faster than either inflation or GDP over the last several decades. Consequently, we believe the best and most direct measure to use for indexing asset-based thresholds would be the actual growth rate in total banking industry assets itself. Similarly, for thresholds tied to deposits, growth in deposits would be logical. However, for some reason the proposal also suggests that this banking industry growth index might be adjusted for inflation. Such an adjustment would seem to presume that nominal growth driven solely by inflation is a fundamental source of heightened complexity of an institution relative to a threshold. We disagree with that rationale. It is absolute growth, including the effects of inflation, that is a direct measure capturing all the factors generating industry expansion.

In conclusion, we differ with the proposal to use the percentage change in the CPI-W as an index for thresholds because it disregards real changes in the size of the economy and therefore the banking industry. Even in the absence of any change in the complexity of a bank, an institution will grow in congruence with the economy. Using GDP as an index would be plausible. However, using unadjusted, actual growth rate in banking industry assets would reasonably capture all of the factors affecting growth. Thresholds for operating as a community bank must be indexed to fully reflect the ever-growing economic needs of the communities they serve.

We appreciate the opportunity to comment.

Sincerely,

[redacted]

David E. Rainbolt
Chairman

cc: