



Bank of Vernon
PO BOX 309
Vernon, AL 35592

September 26, 2025

RE: Comment on FDIC Proposal to Raise and Index Audit and Reporting Requirements

I am writing regarding the FDIC's request for comment on its proposal to raise and index asset thresholds as Chairman, Co-CEO, and CFO of The Bank of Vernon located in Vernon, Alabama. Currently we are approaching \$400 million in assets serving a very rural part of West Alabama and East Mississippi with 5 branches and a 6th in process of being built. We have been serving this market since 1911 and are a certified CDFI. We support the proposal and encourage the FDIC to issue a final rule quickly in order for CDFI's, rural lenders, and community banks to receive relief from the regulatory burden posed by Part 363's outdated thresholds. While we are not currently subject to them, they are already a part of our planning and causing expenses with outside firms in our efforts to prepare for compliance as we grow organically in our markets. One consideration we'd recommend is moving the baseline numbers for initial reporting up from \$500 million to at least \$1 Billion with indexing for future years, and adjusting the other thresholds higher as mentioned by others. This would allow for ease of maintaining our tax and audit work with firms that understand our bank and market. Otherwise, we will have to employ another firm that is not from our area to handle simple tasks that could, and should, be handled by our existing firm. This potential change has already started costing us time and money in preparation for compliance and seems to provide zero benefit to our operations. The higher threshold aspects of the rule create other challenges in rural markets as it is difficult to find directors and executives that have backgrounds suitable for higher level audit committee requirements. It is equally difficult to employ additional local audit/tax preparation firms agencies to fulfill the requirements of the existing rule.

Thank you for the opportunity to submit these comments on the proposal. We appreciate your efforts to modernize the thresholds. Please continue to find ways to do this in other areas and reach out if there is something we can do to assist.

Sincerely,

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