



April 3, 2025

Jennifer Jones, Deputy Executive Secretary
Comments/Legal OES (RIN 3064-ZA45)
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Re: Statement of Policy on Bank Merger Transactions; FDIC RIN 3064-ZA45; Document Number: 2025-03832; 90 Fed. Reg. 11679 (Mar. 11, 2025)

Dear Ladies and Gentlemen:

Better Markets¹ appreciates the opportunity to comment on the proposed rescission of the 2024 Statement of Policy on Bank Merger Transactions (“Proposal”) from the Federal Deposit Insurance Corporation (“FDIC” or “Agency”).² ***I request an extension of the comment period to allow for the appropriate, necessary, and vital public comment on this Proposal.***

An insufficient merger review process, combined with changes in laws and economic events, has contributed to massive consolidation in the banking industry over the past several decades.³ Since the mid-1980s, the number of commercial banks in the United States has declined by roughly 70 percent.⁴ This consolidation has overwhelmingly occurred among the largest institutions.⁵ For example, between 1984 and 2011, the number of institutions with total assets of

¹ Better Markets is a non-profit, non-partisan, and independent organization founded in the wake of the 2008 financial crisis to promote the public interest in the financial markets, support the financial reform of Wall Street, and make our financial system work for all Americans again. Better Markets works with allies—including many in finance—to promote pro-market, pro-business, and pro-growth policies that help build a stronger, safer financial system that protects and promotes Americans’ jobs, savings, retirements, and more.

² Statement of Policy on Bank Merger Transactions; RIN 3064-ZA45; Document Number: 2025-03832; 90 Fed. Reg. 11679 (Mar. 11, 2025), <https://www.federalregister.gov/documents/2025/03/11/2025-03832/statement-of-policy-on-bank-merger-transactions>.

³ See, e.g., Better Markets Comment Letter, *Request for Comment on Proposed Statement of Policy on Bank Merger Transactions* (June 18, 2024), <https://bettermarkets.org/wp-content/uploads/2024/06/Better-Markets-Comment-Letter-FDIC-Proposed-Statement-of-Policy-on-Bank-Merger-Transactions.pdf>; Better Markets Fact Sheet, *The Review Process for Bank Mergers and Acquisitions Is Seriously Deficient, Allows Too-Big-to-Fail to Proliferate, and Fails to Protect Consumers* (July 11, 2023), https://bettermarkets.org/wp-content/uploads/2023/07/Better_Markets_Merger_Fact_Sheet-7.11.23.pdf; Better Markets Comment Letter, *Request for Comment on Rules, Regulations, Guidance, and Statement of Policy on Bank Merger Transactions* (May 31, 2022), https://bettermarkets.org/wp-content/uploads/2022/05/Better_Markets_Comment_Letter_Request_for_Comment_Bank_Merger_Transactions.pdf.

⁴ Federal Deposit Insurance Corporation, *BankFind Suite: Find Annual Historical Bank Data*, <https://banks.data.fdic.gov/bankfind-suite/historical> (last accessed Apr. 4, 2024).

⁵ FEDERAL DEPOSIT INSURANCE CORPORATION, FDIC COMMUNITY BANKING STUDY § 2.3 (Dec. 2012), <https://www.fdic.gov/resources/community-banking/report/2012/2012-cbi-study-full.pdf>.

\$10 billion or more increased from 32 to 107 but the assets that these institutions controlled grew from about \$1 trillion (27% of total industry assets) in 1984 to \$11.1 trillion (80% of total industry assets) by 2011.⁶ The four Wall Street megabanks account for much of this consolidation, increasing from an aggregate market share of just 6.2% of total banking industry assets in 1984 to more than 40% of industry assets by 2011, in part because of the direct acquisition of 353 other banks with combined total assets of \$2.5 trillion.⁷ Not only does this trend threaten the viability of community banks, which are the lifeblood of Main Street America, but it also harms consumers, small businesses, and communities across America with less access, fewer choices, and higher costs for banking services.

The 2024 Statement of Policy was finalized on September 27, 2024,⁸ following years of prudent, judicious, and appropriate analysis. This included two 60-day opportunities for public input:

- First, the public had 60 days to respond to a Request for Information, between March 31, 2022, and May 31, 2022.⁹
- Second, the public had 60 days to comment on the proposed Statement of Policy, between April 19, 2024, and June 18, 2024.¹⁰

This deliberative process resulted in several necessary changes that *strengthened* the merger review process. In fact, just six months ago, the FDIC itself detailed the new policy's many benefits, relative to the prior superseded policy statement:

The Final Statement updates, strengthens, and clarifies the FDIC's policies related to the evaluation of bank merger applications. As compared to the Superseded Statement, the Final Statement includes new content; is more principles-based; addresses jurisdiction and scope; describes the FDIC's approach to each statutory factor separately; and highlights other matters and considerations such as interstate mergers and the unique aspects of applications from non-banks, operating non-insured entities, and banks that are not traditional community banks.

⁶ *Id.* at § 2.2 – 2.3.

⁷ *Id.* at § 2.4.

⁸ Final Statement of Policy on Bank Merger Transactions; FDIC RIN 3064-ZA31; Document Number: 2024-22189; 89 Fed. Reg. 79125 (Sept. 27, 2024), <https://www.federalregister.gov/documents/2024/09/27/2024-22189/final-statement-of-policy-on-bank-merger-transactions>.

⁹ Request for Information and Comment on Rules, Regulations, Guidance, and Statements of Policy Regarding Bank Merger Transactions; FDIC RIN 3064-ZA31; Document Number: 2022-06720; 87 Fed. Reg. 18740 (Mar. 31, 2022), <https://www.federalregister.gov/documents/2022/03/31/2022-06720/request-for-information-and-comment-on-rules-regulations-guidance-and-statements-of-policy-regarding>.

¹⁰ Request for Comment on Proposed Statement of Policy on Bank Merger Transactions; FDIC RIN 3064-ZA31; Document Number: 2024-08020; 89 Fed. Reg. 29222 (Apr. 19, 2024), <https://www.federalregister.gov/documents/2024/04/19/2024-08020/request-for-comment-on-proposed-statement-of-policy-on-bank-merger-transactions>.

The Final Statement highlights the FDIC's expectations relative to each statutory factor and incorporates analytical considerations for these areas.¹¹

In short, the 2024 Statement of Policy wisely broadened the scope of analysis and consideration related to merger transactions. To dismantle and disregard the work that led to the 2024 Statement of Policy and to return to a clearly weaker policy is a mistake. But providing only 30 days for public comment on this decision is an even graver error. This gives the impression that the Agency's mind is already made up and that the public comments on this matter will not be taken seriously.

Therefore, we request that the comment period for the public to respond to the Proposal be extended to at least May 10, 2025, to allow 60 days for comment.

Sincerely,

[REDACTED]

Shayna M. Olesiuk
Director of Banking Policy

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Better Markets, Inc.

[REDACTED]

<http://www.bettermarkets.org>

¹¹ Final Statement of Policy on Bank Merger Transactions, *supra* note 8, at 79125 (emphasis added).