


From: [Melinda Milincu](#)
To: [Comments](#)
Cc: [Dann Bowman](#)
Subject: [EXTERNAL MESSAGE] RIN 3064-AG15
Date: Thursday, September 25, 2025 5:37:27 PM



Hello,

Please see attached our comment letter regarding RIN 3064-AG15. Should you have any questions or need additional information please let me know.

Thank you.

Melinda Milincu, CPA
SVP/Chief Financial Officer
Chino Commercial Bank NA





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 Proposed Rule – Adjusting and Indexing Certain Regulatory Thresholds (RIN 3064-AG15)

Dear Ms. Jones:

On behalf of Chino Commercial Bank, we write in strong support of the FDIC's proposal to raise and index the asset thresholds under Part 363 of its regulations. We commend the FDIC for recognizing that thresholds established more than three decades ago no longer reflect today's banking environment and have inadvertently imposed disproportionate burdens on community banks.

We believe raising the general audit threshold from \$500 million to \$1 billion, and the internal control audit threshold from \$1 billion to \$5 billion, is both prudent and necessary. These changes will ensure that regulatory requirements remain aligned with institutional risk while allowing community banks to dedicate more resources to serving their customers and local economies.

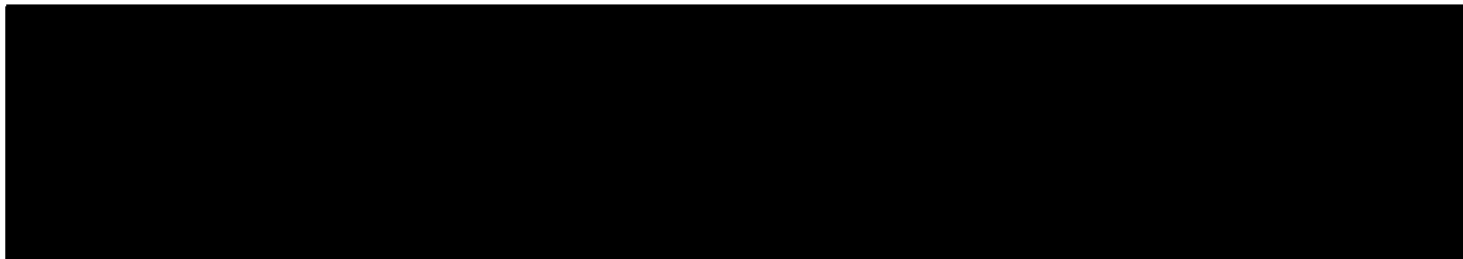
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We respectfully offer the following five key reasons in support of the proposal:

1. Outdated thresholds impose disproportionate burdens.

The current thresholds, set in the early 1990s, have not kept pace with inflation or industry growth. Many community banks that remain relatively simple in structure have been swept into compliance categories designed for much larger institutions, imposing costs that far outweigh the corresponding supervisory benefit.

2. Regulatory relief preserves community banking and local economies.

For banks under \$5 billion, the costs of independent internal control audits can reach hundreds of thousands of dollars annually. Redirecting these resources toward lending, technology, and customer service strengthens the very communities that community banks were chartered to serve.

3. Safety and soundness remain intact.

Raising the thresholds does not weaken oversight. Community banks remain subject to regular examinations, risk-focused supervision, and state-level requirements. Many institutions voluntarily maintain strong internal control frameworks and obtain independent audits regardless of regulatory thresholds.

4. Indexing prevents future erosion.

A predictable indexing mechanism will ensure thresholds retain their intended scope in real terms, avoiding the cycle of outdated static rules that unintentionally pull in smaller institutions. This enhances regulatory stability and provides certainty for long-term planning.

5. Threshold modernization restores proportionality.

At their inception, FDICIA thresholds applied only to banks posing the greatest risk to the Deposit Insurance Fund. Without adjustment, they now capture far more institutions than originally intended. Raising the audit threshold to \$1 billion and the ICFR threshold to \$5 billion restores the balance, ensuring requirements are proportional to risk.

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Conclusion

Chino Commercial Bank strongly supports the FDIC's proposal to modernize and index regulatory thresholds under Part 363. These changes will right-size compliance obligations, maintain safety and soundness, and allow community banks to focus resources where they matter most—supporting small businesses, families, and local communities.

We appreciate the opportunity to provide our views and thank the FDIC for its leadership in ensuring that regulations remain effective, efficient, and appropriately scaled.

Respectfully submitted,



Dann H. Bowman
President and CEO
Chino Commercial Bank

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FDIC Letter

Final Audit Report

2025-09-19

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