From: Mark Singleton
To: Comments
Subject: [EXTERNAL MESSAGE] RIN 3064-AG15
Date: Friday, September 26, 2025 10:23:12 AM

[redacted]

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

Dear Ms. Jones and FDIC Board Members:

I am writing in response to the FDIC's Notice of Proposed Rulemaking, *Adjusting and Indexing Certain Regulatory Thresholds* (RIN 3064–AG15). While I commend the FDIC for finally modernizing these long-outdated rules, I urge the agency to adopt a more forward-looking approach: **raise all thresholds currently set at $1 billion up to $5 billion, and move the ICFR attestation and audit committee composition thresholds to $10 billion.**

I serve as President & CEO of Citizens National Bank of Texas (CNB of Texas), the oldest family-owned independent community bank in Texas, founded in 1868. Our bank has served neighbors, farmers, businesses, and families for over 157 years, guided by conservative risk management and deep community ties.

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1. Raise all $1B thresholds to $5B

The proposal suggests increasing the Part 363 annual reporting and audit committee requirements from $500 million to $1 billion. However, that is insufficient. Inflation, industry consolidation, and risk concentration have fundamentally changed the industry. A $5 billion threshold would better reflect today's banking landscape, where systemic risk is concentrated well above the community bank level.

2. Set ICFR attestation at $10B

The FDIC's plan to raise the ICFR attestation threshold to $5B brings back the scope from 2005 but doesn't match current conditions. Banks between $5B and $10B still tend to be community-focused and less complicated than larger regional or national banks. Forcing them to undergo costly auditor attestations adds expenses without providing significant safety benefits. $10B is the appropriate level to include institutions with actual complexity and systemic risk.

3. Set audit committee composition at $10B

Rural and mid-sized banks face ongoing difficulties in recruiting independent directors with the necessary financial expertise. These requirements are appropriate for large banks but not for community institutions. Increasing the audit committee composition requirement to $10B maintains governance standards without placing unreasonable demands on rural markets.

4. Indexing is critical—but only works if the baselines are right

I support indexing thresholds to CPI-W every two years, with an annual adjustment if inflation exceeds 8%. However, indexing from artificially low baselines—such as $1B—locks in a weak starting point. Establishing higher thresholds now guarantees the framework remains relevant for decades, not just a few years.

Conclusion

Congress never intended for community banks to bear the same burdens as the nation's largest institutions. Updating Part 363 should reflect not only inflation since 2005 but also industry consolidation and the concentration of systemic risk. The FDIC should:

- **Raise all $1B thresholds to $5B**
- **Set ICFR attestation at $10B**
- **Set audit committee composition at $10B**
- **Index thresholds going forward**

This approach would appropriately size regulation, lessen disproportionate burdens on community banks, and maintain focus on safety, soundness, and the Deposit Insurance Fund where it is most critical.

Thank you for considering these comments and for your work to modernize outdated regulatory thresholds.

Sincerely,

Marvin E. "Mark" Singleton III
President & CEO
Citizens National Bank of Texas
Waxahachie, Texas

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