


**From:** [Jeff Smith](#)  
**To:** [Comments](#)  
**Subject:** [EXTERNAL MESSAGE] RIN 3064-AG15  
**Date:** Thursday, September 25, 2025 3:17:49 PM  
**Attachments:** [image001.png](#)



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,

Thank you for the opportunity to comment on the FDIC's request on its asset threshold proposal.

I am the Chief Financial Officer of CorTrust Bank, N.A. head-quartered in Mitchell, SD. Since 1930, CorTrust Bank has been serving the needs of individuals and businesses throughout 16 South Dakota and 15 Minnesota communities, with 37 locations. What started as a small operation assisting local farming families in Artesian, SD, has today grown into a fourth-generation family-owned community bank with \$1.513 billion in assets. From the Bank's humble beginnings, we've grown into a pillar of strength and stability, moving ahead through market swings all of life's changes. As a community bank, we aren't driven by profits. We're driven by the desire to see our customers thrive. In fact, community banks:

- Represent \$4.0 trillion in consumer, small business, and agricultural loans
- Employ nearly 700,000 people
- Make roughly 60% of U.S. small-business loans under \$1 million, and 80% of banking industry agricultural loans

I believe this proposal is long overdue and I encourage the FDIC to issue a final rule quickly to ensure community banks receive relief from the regulatory burden posed by Part 363's outdated thresholds.

My accounting department has 12 full-time employees (FTEs), and 1.3 FTEs are directed to FDICIA. The estimated salary and benefits for the 1.3 FTEs is \$160,550. The time currently devoted to Part 363 by my department can be better spent, allowing us to bring outsourced audits in-house, something we are unable to do at this time due to the hours consumed by

FDICIA. We also pay \$19,170 to our external auditors to conduct the FDICIA testing. Additionally, we spend \$43,462 on software to properly audit and monitor FDICIA. The money we could potentially save, combined with in-house audits, would positively impact our customers and communities we serve. Freeing up hours currently spent on FDICIA would also allow us to assist with the Bank's compliance committee and lend our expertise. The Part 363 thresholds have not been adjusted for decades and now capture many banks that were never intended to be subjected to those requirements, including CorTrust Bank. Congress' original intent when FDICIA was enacted was to exempt small institutions from the reporting requirements and expensive independent annual audit.

From the beginning, Congress gave the FDIC the authority to raise the exemption thresholds as necessary. I encourage the FDIC to raise the long overdue thresholds. Inflation and industry consolidation have increased the size of community banks, like ours, and yet we still consider ourselves to have a relatively simple operation and pose very little risk to the financial system. We take care of the communities we serve and lack the complexity of larger institutions which FDICIA was designed. I also ask you to consider indexing the thresholds in the future to not impose undue burden on smaller well-capitalized banks that pose very little risk of failing.

Once again, we thank the FDIC for an opportunity to pass along our opinions and to modernize outdated thresholds.

Sincerely,

Jeff

Jeffrey J. Smith

CFO

CorTrust Bank

