From:	John "JV" Evans
To:	Comments
Subject:	[redacted]] August 23, 2024 Unsafe and Unsound Banking Practices: Brokered Deposits Restrictions; Comment Request (RIN 3064-AF99)
Date:	Tuesday, November 19, 2024 7:43:39 PM

[redacted]

Mr. James P. Sheesley
Assistant Executive Secretary
Attention: Comments—RIN 3064-AF99
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am the Chief Executive Officer of D.L. Evans Bank, a $3.3 billion community bank located in Idaho and Utah. I am writing to express my serious concerns regarding the FDIC's proposed rule relating to Unsafe and Unsound Banking Practices: Brokered Deposits Restrictions (the "Proposed Rule"). If finalized as drafted, the Proposed Rule will harm community banks and our customers. The FDIC should withdraw this proposal.

For 120 years, D.L. Evans Bank has taken pride in serving our local communities by providing critical funding to local small businesses and consumers and helping our communities thrive. D.L. Evans Bank has played an important role in the growth and overall quality of life in our hometown communities.

When competing with large banks for deposits for the purpose of funding the Bank's important lending activities, it can be very costly. Marketing and technology costs necessary to compete are very substantial. Banks that choose to partner with or utilize third party relationships to access diverse sources of funding, manage costs, and maximize deposit insurance coverage or provide other services for their customers should not be penalized as accepting "brokered deposits."

Forcing community banks to reclassify deposits as brokered deposits imposes serious costs and restrictions on community banks, including higher deposit insurance premiums, possibly lower CAMELS ratings, and additional regulatory scrutiny.

The FDIC should protect, not limit, community banks' abilities to access liquidity and partner with third parties to offer cost effective and competitive deposit services to their customers. The proposed framework could harm community banks' abilities to manage liquidity and maximize deposit insurance protections for their customers.

Community banks receive and manage a substantial volume of public deposits. The new FDIC proposal which narrows the 25 percent exemption to 10 percent will result in many community banks having to report higher volumes of brokered deposits, despite the fact these funds do not pose “hot money risk,” which may negatively impact banking industry liquidity.

Rescinding PPE applications and notices that the FDIC previously granted to third parties and partner insured depository institutions under the 2020 rules will materially disrupt, and in some cases effectively cease partnerships the FDIC now considers “risky” without the FDIC carrying its burden of identifying specific problems at specific institutions.

If the FDIC believes a specific bank and its third party pose unnecessary risk, it should follow its supervisory processes with respect to that single institution and its third party rather than rewrite the brokered deposit rules for the entire industry.

Please withdraw this proposal as it will cause needless restrictions and burdensome costs to community banks.

Thank you for the opportunity to comment on the proposed revisions relating to brokered deposits restrictions.

Respectfully submitted,

John V. Evans, III
Chief Executive Officer
D.L. Evans Bank
SINCE 1904