



August 1, 2025

Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Subject: Support for Raising the FDICIA Internal Control Audit Threshold to \$5 Billion

Dear FDIC Representatives,

As President and CEO of First Bank of Alabama, I am writing to express my strong support for increasing the Federal Deposit Insurance Corporation Improvement Act (FDICIA) asset threshold for internal control audit requirements from \$1 billion to \$5 billion. Our bank is located in East Central Alabama with 14 branch locations, all serving rural markets. Of the 95 banks headquartered in the State of Alabama, 93 are under the \$5 billion proposed threshold.

The FDIC has proposed a significant update to Part 363 of its regulations (which governs FDICIA audit and internal control reporting requirements). The current \$1 billion threshold, established over 30 years ago, no longer reflects the economic realities of today's financial environment. Since that time, inflation and industry consolidation have significantly changed the landscape of community banking. What was once considered a large institution in 1993 is now, by today's standards, a well-run and moderately sized community bank. The FDIC's proposal is designed to reduce compliance burdens on smaller institutions, particularly those in rural areas. By adjusting these thresholds, the FDIC aims to better align regulatory obligations with institutional size and risk profile while preserving the integrity of financial oversight.

Raising the threshold to \$5 billion would provide meaningful regulatory relief for community banks like ours, allowing us to redirect valuable resources toward serving our customers and local economies. The ability to provide capital to our rural markets is largely important to the "main streets" of America. The cost and administrative burden of the internal control audit (while appropriate for larger, more complex institutions) can be disproportionately high for banks of our size, with limited benefit to safety or soundness.

First Bank of Alabama, along with many peer institutions under \$5 billion in assets, already operates under robust internal control frameworks and is subject to ongoing regulatory examinations and oversight. These mechanisms ensure sound governance and risk management without the need for the added expense of a separate internal control audit requirement.

Modernizing the FDICIA threshold is not about reducing oversight—it is about right-sizing it. A move to \$5 billion would better align regulatory expectations with institutional risk and enable community banks to continue supporting local businesses, families, and economic growth.

Thank you for your consideration and for your continued dedication to a safe, fair, and efficient banking system.

Sincerely,

A black rectangular redaction box covering the signature of Greg Morgan.

Greg Morgan

Chief Human Resource Officer, Bank Legal Counsel, E.V.P.
First Bank of Alabama



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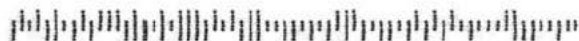
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