



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

Subject: Support for Proposed Amendments to Part 363 Thresholds

To Whom It May Concern,

I am writing to express strong support for the FDIC's proposed amendments to Part 363 of its regulations, which would increase the asset thresholds for mandatory annual audits and internal control over financial reporting (ICFR) assessments for insured depository institutions.

The proposal to raise the threshold for mandatory annual audits from \$500 million to \$1 billion in total assets, and the ICFR audit threshold from \$1 billion to \$5 billion, reflects a thoughtful and pragmatic approach to regulatory modernization. These changes are long overdue and appropriately calibrated to the current scale and structure of the banking industry.

As the FDIC has noted, the original thresholds were established in 1993 and last updated in 2005. Since then, asset values have grown significantly, and the proposed adjustments would restore the relative scope of applicability that was intended when the rule was first adopted. Importantly, the proposal maintains oversight of approximately 90% of banking assets, ensuring continued protection of the financial system while reducing unnecessary regulatory burdens on smaller institutions.

Exempting nearly 800 institutions between \$500 million and \$1 billion from the audit requirement, and approximately 675 institutions between \$1 billion and \$5 billion from the ICFR requirement, will allow these banks to redirect resources toward serving their communities, investing in innovation, and enhancing customer service. These institutions often operate in rural or underserved areas, and the cost savings from reduced compliance obligations can have a meaningful impact on their ability to thrive.

In conclusion, I commend the FDIC for its data-driven and balanced proposal. Updating Part 363 thresholds is a sensible step that aligns regulatory requirements with the realities of today's banking environment. I urge the FDIC to finalize the rule as proposed.

Thank you for your consideration.

Sincerely,

[Redacted signature]

J. Mallie Hebert
Senior Vice President, Director of Human Resources
First Federal Bank of Louisiana





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

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