From:	Brant Tate
To:	Comments
Subject:	[EXTERNAL MESSAGE] RIN 3064-AG15
Date:	Thursday, August 7, 2025 2:52:06 PM
Attachments:	036_sm_fb_a1347472-45be-4a0b-af83-b901fa688c57.png 036_sm_twitter_ead36a19-13db-46c4-9186-b34bea9f203c.png 036_sm_y2_45d41b4c-7f16-42de-b619-b5cde39239df.png 036_sm_instagram_9927e091-e056-4b30-a2b6-e681664c9634.png

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Good morning:

Thank you for the opportunity to submit comments regarding the proposed rulemaking in RIN 3064-AG15, Adjusting and Indexing Certain Regulatory Thresholds.

I strongly support this effort to update the thresholds in the various regulations affected.

This writing specifically speaks to those thresholds increased in part 363. Generally, it is a wise step to adjust the thresholds higher due to inflation. The increased threshold does help rightly reflect needed risk management brought on by asset size and bank growth. The old, lower limits were unduly burdensome for smaller institutions in relation their risk and complexity. As mentioned in the proposed rule, the thresholds were set more than 30 years ago.

I work in a small financial institution, The First National Bank of Granbury, FDIC Certificate 3228. When we crossed the $500 million threshold as addressed in 363.5(a)(2), it was a challenge for this small community bank to rightly design the audit committee. The increase to $1 billion would have better represented the growth and complexity of the bank's board and operations had it been in effect in earlier years. The increase to $1 billion is a good step and I would even recommend it be raised to $2.5 billion as that level would better reflect a more complex community bank related to the work and duties of an audit committee.

Similarly, I support the move from $1 billion to $5 billion in parts 363.2, 363.3, 363.4, and 363.5. The requirements of these sections pertaining to the annual report and the internal control assessment by management and by the independent public account are particularly burdensome on a smaller community bank. In the present situation, the complexity of internal controls required by auditors for a bank over $1 billion compared to a bank at $999 million is extensive and introduces considerable expense and likely the need of additional employees. The ability to delay this increase in complexity and cost to the $5 billion mark better represents the risk levels in smaller community banks.

One question to note: has the FDIC considered that a bank reaching a threshold on December 31st might drop back below that threshold after December 31st and could even remain under the threshold for many months? Then that bank would be required to comply with the sections of 363 even though it is operating under the threshold level. Since many community banks are the depositories of various public funds (cities, counties, tax assessors, etc.), it is common for total deposits and total assets to increase sharply during November and December and then decrease sharply during the first quarter. Perhaps it would be a better measure to require that the threshold be reached for two consecutive year ends before applying the sections of 363?

In summary, the increase in these thresholds is needed and very timely for community banks. Please consider increasing the 363.5(a)(2) threshold to $2.5 billion and consider making all the thresholds effective only after a bank attains the threshold for two consecutive year ends.

Thank you,

Brant Tate
VP, BSA Officer, CAMS

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