



August 1, 2025

Jennifer M. Jones
Deputy Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Re: FDIC Notice of Proposed Rulemaking, RIN 3064-AG15 – Adjusting and Indexing Certain Regulatory Thresholds

Dear Ms. Jones,

First National Bankers Bank (FNBB) respectfully submits these comments regarding the FDIC's Notice of Proposed Rulemaking (NPR) on Adjusting and Indexing Certain Regulatory Thresholds (RIN 3064-AG15), published in the Federal Register. We applaud the FDIC's initiative to modernize threshold levels and reduce unintended regulatory burdens caused by inflation, especially for community banks.

FNBB is a bankers' bank headquartered in Baton Rouge, Louisiana, with regional offices across Louisiana, Mississippi, Alabama, Arkansas, and Florida. We serve over 600 community bank customers throughout the Southeastern United States and are owned exclusively by those community financial institutions. Our mission is to strengthen the prosperity and sustainability of community banks by providing operational, lending, investment, and support services, enabling them to leverage the benefits of cooperative ownership.

General Support

We support the FDIC's proposal to update and index regulatory thresholds to account for inflation. Aligning these thresholds with current economic realities ensures that regulatory applicability reflects actual institutional size and risk, rather than being distorted by inflation. This modernization will enhance predictability and durability in the regulatory framework, benefitting community banks by reducing uncertainty and unnecessary compliance costs.

Responses to FDIC's Specific Requests for Comment

1. Inflation Measure (CPI-W)

FNBB agrees with using the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) as the inflation index for regulatory threshold adjustments. The CPI-W is widely recognized and has precedent in federal programs such as Social Security. At this time, we do not identify a superior alternative.

2. Indexing Frequency and Trigger

We support the FDIC's proposal to update thresholds every two years, with an interim adjustment if cumulative inflation since the last change exceeds 8%. This strikes a balance between regulatory stability and responsiveness, ensuring thresholds retain their real value without frequent, disruptive changes.

3. Alternatives to Indexing Methodology

FNBB supports the proposed automatic approach to indexing over less-automated or milestone methods. Automation offers transparency and predictability, reducing administrative burden for both banks and regulators.

4. Scope and Applicability of Thresholds

We agree with the focus on updating FDIC-only discretionary thresholds in the current phase, particularly those relevant to 12 CFR Part 363. To make threshold applicability more representative, FNBB recommends the FDIC use an average balance for the year, rather than a total assets figure at a single point in time (i.e., start of the year). Using an average balance would more accurately reflect a bank's typical scale, mitigating the risk of seasonal or anomalous fluctuations causing institutions to cross regulatory thresholds unnecessarily.

5. Costs and Benefits

Maintaining compliance with 12 CFR Part 363 results in substantial direct costs, including external and internal audits, technology required for documenting and tracking internal controls, and significant staff time to support ongoing documentation and audit response. FNBB estimates that increasing the relevant thresholds as proposed would save us in excess of \$100,000 annually in direct compliance costs. These savings could be reinvested into services supporting our community bank customers.

6. Additional Considerations

FNBB encourages the FDIC to coordinate with other federal regulators to harmonize application of indexing methodologies, ensuring consistent, efficient compliance for institutions regulated by multiple agencies.

FNBB endorses the FDIC's efforts to modernize and index regulatory thresholds. We specifically urge consideration of average asset balances for threshold determinations and support all measures that keep compliance obligations appropriately tailored for community banks.

Thank you for considering our perspective. Please contact me at [REDACTED] or [REDACTED] with any questions or for further discussion.

Sincerely,

[REDACTED]
Paxton Mogenson
President and Chief Executive Officer