



# The Fountain Trust

COMPANY

VIA EMAIL TO: [Comments@fdic.gov](mailto:Comments@fdic.gov)

September 24, 2025

Jennifer M. Jones  
Deputy Executive Secretary  
Attention: Comments – RIN 3064-AG15  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington, DC 20429

**RE: RIN 3064-AG15**  
**Comments on Proposed Amendments to Annual Independent Audits and Reporting Requirements (Part 363)**

Dear Jennifer Jones:

The Fountain Trust Company (“Fountain Trust”) is a community bank founded in 1903 in Covington, Indiana. The bank has grown to approximately \$670 Million in assets and has 16 banking centers in small towns throughout six rural counties in west-central Indiana. The bank takes pride in being a small-town community bank, building local relationships and actively participating in the communities that we serve. We appreciate the opportunity to comment on the FDIC’s proposal to modernize the outdated asset thresholds for the Annual Independent Audits and Reporting Requirements (“Part 363”). We agree that the FDIC should raise the asset thresholds in Part 363 to account for the bank consolidation and inflation that has occurred in the last twenty (20) years, resetting the values and adding an indexing methodology to ensure future adjustments based on inflation.

Part 363 has not been updated since 2005 and many provisions have not been updated in over 30 years. As discussed in the proposal, the asset thresholds were intended to allow regulations to be tailored based on a bank’s size, risk and complexity. However, when the thresholds remain static over a long period of time, the thresholds no longer preserve the policy reasons for which they were implemented. Accordingly, the regulation now applies to many banks that were originally intended to be exempt.

Although the bank has not yet reached the \$1 billion asset level, it is our goal to reach it within the next five years. As part of the preparation for reaching the goal, we have researched the costs associated with complying with Part 363 at that asset level. We have been advised that before we reach the \$1 billion asset level, we need to complete implementation of the rule’s requirements so that we can comply with the heightened requirements immediately after exceeding the threshold. Preparing for and complying with Part 363 imposes significant costs. We would need to implement additional internal controls for financial reporting, hire an external audit firm (utilizing a different and additional external CPA firm) to ensure the effectiveness of the internal control structures, and require that all members of the audit committee are





# The Fountain Trust

COMPANY

independent. The implementation, the ongoing costs of testing internal controls, hiring another external CPA firm to do the implementation, and the auditing of our internal testing is a major endeavor for a small community bank. The ongoing compliance required by Part 363 will require significant resources from our internal finance department, working on increased documentation of processes and reconciliations that must be tested and audited, year after year. Accordingly, we support the proposal to increase the \$1 billion asset thresholds to \$5 billion and believe raising the threshold to \$10 billion is preferable and better aligned with the intended scope of the rule.

Increasing the Part 363 asset thresholds would provide meaningful relief for community banks such as ours. The FDIC's proposed adjustments are intended to preserve the auditing threshold levels in Part 363, thereby avoiding the undesirable and unintended outcome where a bank becomes subject to additional and more stringent rules due only to inflation rather than actual changes in a bank's size, risk profile, or level of complexity. Updating the thresholds will allow us to better focus our people and our resources on the communities that we serve.

We appreciate the FDIC's work to modernize and index the thresholds in Part 363 and we urge the FDIC to finalize the proposed changes. If you have any questions or would like any additional information, please contact Lucas White at [REDACTED]

Sincerely,

[REDACTED]

Lucas White  
President  
The Fountain Trust Company

[REDACTED]

Geoffrey D. Smith  
Chief Compliance Officer  
The Fountain Trust Company