HORICON BANK
The Natural Choice

August 13, 2025

Jennifer M. Jones
Deputy Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429
RIN 3064-AG13

Re: Community Reinvestment Act Regulation

To Whom It May Concern:

Horicon Bank has been serving the needs of southeastern Wisconsin since 1896. We currently have over $1.5 million in assets and are located in thirteen communities. As a community bank, we serve a wide variety of customers and offer a robust array of products. From small businesses and farmers to homeowners and other individuals, we seek to meet the banking needs of those in our communities. The Federal Deposit Insurance Corporation is our primary regulator.

We are committed to the goals of CRA and to meeting the credit and financial services needs of our customers and communities. We partner with local community organizations to help identify community needs. We are actively involved with local Community Development Financial Institutions, Affordable Housing Non-Profit Organizations and other local area Economic Development Corporations. Our lenders regularly direct our customers to the Small Business Administration for additional resources. These types of organizations are great partners to help us serve the needs of our customers.

We have supported efforts to modernize the framework. Our focus has been on making CRA expectations clearer and ensuring that examiners apply the rules consistently. When the rules are transparent and predictable, banks can spend more time serving underserved communities and less time trying to interpret shifting regulatory standards.

Horicon Bank supports rescinding the 2023 Rule. The nearly 1500-page 2023 Rule is unnecessarily complex and would be difficult to interpret and implement. It would also result in steep compliance costs. These compliance costs are a burden that smaller banks, like Horicon Bank, cannot afford. The 2023 Rule will drive the smaller banks out of business which will reduce the competitiveness of the US banking system and will hurt the US consumer. If the 2023 Rule is passed, we will need to spend considerable money to simply understand the rule and then spend even more to try to comply with the

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rule. Furthermore, we feel that the asset thresholds are too low and do not reflect changes in the banking industry since the classifications were established in 2005.

Horicon Banks supports recodifying the 1995 Framework. Reinstating the 1995 framework would provide a measure of certainty that allows banks to focus on fulfilling the spirit of CRA and the 1995 framework is consistent with Congressional intent.

There is room for improvements to the CRA, however, we recommend that these be changes that do not require regulatory amendment. The modernization effort was originally meant to make the rules clearer and more practical for banks and communities. But it became a major overhaul that went far beyond that goal. Instead of simplifying things, it introduced new layers of complexity and left many long-standing concerns unresolved. We recommend that the agencies develop an illustrative list of qualifying CRA activities. We also recommend providing banks clarity on how performance context informs the bank's ratings. These changes would make the CRA process a goal banks can understand and less of a stab in the dark.

Sincerely,

Alexandra G. Solanki

Vice President