



IBC

International Bancshares
Corporation

August 29, 2025

Via Electronic Filing: www.fdic.gov/federal-register-publications

Jennifer M. Jones, Deputy
Executive Secretary,
Attention: Comments—RIN 3064–ZA50
Federal Deposit Insurance Corporation,
550 17th Street NW
Washington, DC 20429

RE: Comment on Proposed Guidelines for Appeals of Material Supervisory Determinations (RIN 3064-ZA50)

Dear Ms. Jones:

This letter is being submitted by International Bancshares Corporation (“IBC”), a publicly traded, multi-bank financial holding company headquartered in Laredo, Texas. IBC maintains 166 facilities and 25 ATMs, serving 75 communities in Texas and Oklahoma through five separately chartered banks ranging in size from approximately \$490 million to \$9.5 billion, with consolidated assets totaling over \$16 billion. IBC is one of the largest independent commercial bank holding companies headquartered in Texas. IBC appreciates the opportunity to provide this comment in response to the Federal Deposit Insurance Corporation’s (“FDIC”) July 18, 2025 Notice of Proposed Guidelines for Appeals of Material Supervisory Determinations (“Proposed Guidelines”).

IBC has previously submitted comments supporting reforms to the FDIC’s supervisory appeals process, including the establishment of an Office of Supervisory Appeals (“Office”) as proposed in 2020 and implemented in 2021. However, upon further review and in light of the statutory framework proposed in the Financial Institutions Examination Fairness and Reform Act (H.R. 940) (“FAIR EXAMS Act”), IBC now opposes the reestablishment of the Office as contemplated in the Proposed Guidelines. We instead urge the FDIC to support the enactment of the FAIR EXAMS Act, which offers a legally sound, structurally independent, and procedurally robust alternative to the FDIC’s internal appeals mechanisms.



I. Legislative Reform Is the Only Path to True Independence

The core issue at stake is that the FDIC is bound by a statute that could be significantly improved. The FAIR EXAMS Act provides a legislative solution that would bring consistency, certainty, and fairness to the banking industry in an area that has seen frequent and disruptive changes. If the Proposed Guidelines are adopted, it would mark the third revision to the appeals framework in just five years. A statutory change would end this cycle and establish a durable, impartial process.

Rather than continuing to rely on internal structures that lack true independence, the FDIC should support the creation of the Office of Independent Examination Review (“OIER”) as proposed in the FAIR EXAMS Act. This office would be housed within the Federal Financial Institutions Examination Council (“FFIEC”) and led by a Board of Independent Examination Review comprised of three members appointed by the President and confirmed by the Senate. This structure ensures independence from any individual regulatory agency and satisfies the statutory definition of an “independent appellate process” under 12 U.S.C. § 4806(f)(2).

II. The Proposed Guidelines Retain Procedural and Substantive Deficiencies

The Proposed Guidelines continue to exclude from appeal any determination that forms the basis of a formal enforcement action, including preliminary findings, draft consent orders, and referrals to other agencies. This exclusion deprives institutions of the ability to challenge adverse findings that may have significant reputational, operational, and legal consequences.

Moreover, the Office is prohibited from overturning supervisory determinations that conflict with FDIC policy, even if such policy is outdated, inconsistently applied, or lacks statutory authority. This restriction effectively neuters the Office’s ability to provide meaningful relief and reinforces the perception that the appeals process is not truly independent.

III. The FAIR EXAMS Act Provides a Statutorily Grounded and Structurally Independent Alternative

IBC strongly supports the FAIR EXAMS Act, which would:

- Vest the Board with authority to adjudicate appeals of material supervisory determinations from any federal banking agency, including the FDIC;
- Authorize the Board to conduct evidentiary hearings and review the examination record de novo;

- Empower the Board to issue binding decisions on the relevant agency, subject to judicial review in the U.S. Court of Appeals;
- Mandate uniform standards across agencies, eliminating disparities in appeals procedures;
- Require final examination reports to be issued within 60 days of the exit interview or final submission of material information;
- Prohibit retaliation against institutions that file appeals and require agencies to establish procedures for investigating such claims.

This framework ensures procedural fairness, legal accountability, and constitutional due process. It also promotes consistency in supervisory standards and enhances the credibility of the examination process.

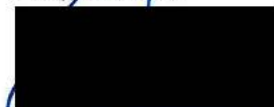
IV. The FDIC Should Withdraw the Proposed Guidelines and Support Legislative Reform

IBC respectfully urges the FDIC to withdraw the Proposed Guidelines and publicly support the FAIR EXAMS Act. The FAIR EXAMS Act represents a bipartisan effort to restore transparency, fairness, and accountability to the bank examination process. It would harmonize appeals procedures across agencies, reduce regulatory uncertainty, and promote confidence in the supervisory framework.

The FDIC's continued reliance on internal structures—whether the Supervision Appeals Review Committee or the proposed Office—fails to meet the legal and policy objectives of the Riegle Act and does not provide regulated institutions with the impartial review they are entitled to under law. The time has come for Congress to act, and for the FDIC to support that action.

IBC appreciates the opportunity to comment on the Proposed Guidelines. While we acknowledge the FDIC's intent to improve the appeals process, we believe that only a statutorily independent body, such as that contemplated by the FAIR EXAMS Act, can provide the level of impartiality and legal integrity required. We urge the FDIC to withdraw the Proposed Guidelines and work with Congress to enact meaningful reform.

Respectfully,



Dennis E. Nixon,
President and CEO

International Bancshares Corporation