



JOHNSON & SHELDON, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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

Dear Ms. Jones,

I am writing regarding the FDIC's request for comment on its proposal to raise and index asset thresholds under Part 363 of the Federal Deposit Insurance Corporation Improvement Act of 1991.

I am the managing partner of Johnson & Sheldon, PLLC in Amarillo, Texas, a 35+ person full service CPA firm. Myself and our firm have served financial institutions for over 35+ years providing audit and tax services to small and midsize institutions with assets from \$100 million to over \$500 million, along with tax services also to some of their shareholders and/or senior management. I've worked with banks since Part 363 was first issued even helping several banks then make the transition to required audits and reporting while having to maintain Part 363's higher SEC independence standards, and have witnessed firsthand how regulatory thresholds affect institutions across different sizes and markets.

Over the years as I've also seen banks grow well over the \$1 billion dollar mark in larger cities, others still remain well below \$500 million in rural areas along with others that float around the \$500 million mark in larger rural towns. I've also seen various events such as Covid and government programs such as PPP and ERC that have driven deposit growth for many banks, pushing some banks above \$500 million without significantly changing their risk profiles. In many cases these institutions remain the same community banks with same strong ownership, management and operations as before crossing the threshold, all the while generally serving the same customer base and market territories.

Our firm also provides non-attest tax services to institutions, shareholders and/or senior management, while always maintaining the required AICPA independence standards and safeguards required by professional standards. We serve institutions across a wide territory including the Texas Panhandle, eastern New Mexico and western Oklahoma, where fewer and fewer CPA firms offer audit services due to higher risk assessment standards, technology demands and peer review, as well as the continued consolidation that continues among our industry also.


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For these reasons, I support the FDIC's proposal to raise the Part 363 threshold to \$1 billion and apply indexing. This update is overdue and would reduce unnecessary burdens on community banks whose asset size and increases that often reflect inflation and temporary deposit growth, rather than heightened risk.

Thank you for considering these comments.

Sincerely,


Richard Blankenship, CPA
Managing Partner