Comment on Adjusting and Indexing Certain Regulatory Thresholds
Docket No. RIN 3064-AG15

While indexing may appear to preserve the “real” value of dollar-based trigger points, the proposal’s mechanical approach will inject undue complexity and exacerbate the very problems it seeks to solve.

Under the FDIC’s formula-driven indexing regime, institutions and their service providers would be forced to recalculate compliance scopes every year for a variety of shifting thresholds. Small and mid-sized banks in particular lack the IT infrastructure and staffing flexibility to manage continuous, across-the-board adjustments. The inevitable result is heightened operational risk, rising legal and accounting fees, and diverted resources away from core banking functions.

Unlike large banks, which employ dedicated indexing specialists and leverage automated compliance platforms to absorb shifting regulatory thresholds, smaller and mid-size banks operate with lean staffing and rely on manual spreadsheet tracking.

Consumers, businesses, and institutions rely on bright-line thresholds to know when a transaction or offense will prompt additional review or reporting. Automatically indexing the $2,500 fine cap and $1,000 simple-theft limit under Part 303 erodes that transparency, making it impossible to predict in advance whether an act will cross an undefined threshold next year. Regulatory simplicity is paramount to ensure robust compliance and preserve public trust. Transactional simplicity is far more important in this context than minor adjustments in thresholds.

In short, automatic inflation indexing may protect dollar values in theory, but in practice it injects complexity, unpredictability, and scope creep into the FDIC’s regulatory framework. FDIC should not insert another layer of largely unproductive regulation.

Thank you for considering my comments.

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