



September 23, 2025

Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

RE: Notice of Proposed Rulemaking – Adjusting and Indexing Certain Regulatory Thresholds
(RIN 3064–AG15)

Dear FDIC Leadership,

On behalf of Northstar Financial Group, I appreciate the opportunity to comment on the FDIC’s Notice of Proposed Rulemaking titled “Adjusting and Indexing Certain Regulatory Thresholds.” We strongly support the FDIC’s proposal to modernize regulatory thresholds through inflation-based adjustments and commend the agency’s efforts to recalibrate outdated benchmarks and align compliance obligations with today’s economic realities.

We believe the proposed changes to Part 363, including the increase in the internal control over financial reporting (ICFR) threshold from \$1 billion to \$5 billion, strike an appropriate balance between regulatory burden and risk management. These adjustments will allow institutions like ours to focus resources on core risk oversight and strategic planning, rather than compliance obligations that may offer limited incremental value. As a privately held organization, Northstar does not view the additional audit requirements under the current FDICIA thresholds to provide meaningful value to our shareholder group. For our institution, these requirements impose a substantial increase in costs without delivering a corresponding benefit, especially during the early years of transition when audit expenses can nearly double.

While we appreciate the proposed relief for institutions exceeding current thresholds at the start of fiscal year 2026, we respectfully recommend that the FDIC include a transitional exemption in the final rule for institutions that became subject to Part 363 requirements for the first time in 2025 under the current thresholds, but would be exempt under the revised standards. This would prevent unnecessary compliance costs and governance disruptions for institutions like ours that are already mid-transition. Even if relief is granted later in the year, such efforts would still be welcomed and impactful, as testing and compliance efforts ramp up significantly in the fourth quarter when the proposal is expected to be finalized.

We appreciate the FDIC’s continued engagement with the industry and encourage the agency to take a comprehensive approach to ensure each regulatory requirement remains



appropriately risk-aligned. We welcome the opportunity to contribute to the successful implementation of these important reforms and would be pleased to provide additional input if helpful.

Sincerely,



Wade Perry
Chief Risk Officer
Northstar Financial Group