I am writing regarding the FDIC's request for comment on its proposal to raise and index asset thresholds.

My name is Paula Diaz, and I am the President/CEO of Northview Bank, a $467 million asset size community bank located in rural East Central and Northern Minnesota. Northview Bank is part of a two Bank Holding Company (Finlayson Bancshares) along with First Independent Bank which is in Southwestern Minnesota. I am also an Officer of the Holding Company. At the end of 2024, First Independent Bank went over the $500MM threshold. We consolidate the banks at the Holding Company level for both taxes and the financial statement audit.

We have been a family owned for over 120 Years serving small rural communities in Minnesota. We have 24 locations between both banks and are critical to our communities and provide lending and deposit services to small businesses and consumers.

I support this proposal and encourage the FDIC to issue a final rule quickly so that community banks can receive relief from the regulatory burden posed by Part 363's outdated thresholds. The last time these thresholds were updated was in 2005, and the banking industry and landscape has significantly changed since then.

The systemic risk within the banking industry is concentrated in the large, complex financial institutions in this country, and not in our small community banks who serve consumers and small businesses. This proposal will reduce the burden on our small banks without sacrificing safety and soundness. The time, compliance costs, and additional resources we have had to incur are significant to our daily operations and

bottom line without providing any additional benefit to our Banks.  These resources could be better deployed to serve our communities and positively impact our customers.

The proposal specifically asks about challenges to small rural banks and given the fact that this is the demographic we operate in we have found it very difficult to recruit qualified audit committee members.  We have small business owners in our communities, but generally not people who have the knowledge or expertise to effectively serve as a Bank Audit Committee member. At the very least, I would like to have the option to use related parties who do not manage day-to-day operations, such as an employee from the other Bank within our Holding Company.

I would also recommend that the threshold for requiring auditor attestation regarding internal controls over financial reporting should be raised to $10 billion.  The proposed $5 billion threshold would still impose a disproportionate burden.  Banks under $10 billion often operate with community-focused business models and are not as complex as the larger institutions, therefore, subjecting banks under this threshold to greater audit requirements imposes costs that are not proportionate to their risk profile.

I also support indexing the thresholds to ensure these thresholds do not impose additional burden on banks that are low risk.  This would help support transparency, predictability and would allow small banks like ours, plan when nearing the thresholds.  Also, a regular review schedule of these thresholds would be appropriate to ensure they do not become stale and out of date with current banking system.
Thank you for the opportunity to comment on this proposal and for the FDIC's efforts to address outdated rules and thresholds.

Sincerely,

Paula Diaz
President/CEO
Northview Bank

**Paula Diaz**
*President/CEO*
***Office:***
***Office:***
***Fax:***

[www.northviewbank.com](http://www.northviewbank.com)

This message was secured by **Zix**®.