

**From:** [Sid Smith](#)  
**To:** [Comments](#)  
**Subject:** [EXTERNAL MESSAGE] RIN 3064-AG15  
**Date:** Friday, September 26, 2025 2:12:32 PM

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 submitting this letter in response to the FDIC's request for comment on its asset threshold proposal. I am writing to express my strong support for raising the asset threshold under FDIC Part 363, which currently requires institutions with \$500 million or more in assets to comply with enhanced audit and reporting requirements. While these standards play a vital role in promoting transparency and sound governance, the current threshold—unchanged since its inception in 1993—no longer reflects the scale, complexity, or risk profile of today's banking institutions.

Over the past three decades, inflation, industry consolidation, and technological advancements have significantly altered the banking landscape. Many community banks now exceed the \$500 million threshold not due to increased risk, but due to organic growth and asset inflation. As a result, they are subject to costly audit and compliance burdens that were originally intended for larger, more complex institutions. Raising the Part 363 threshold to a more appropriate level—such as \$1 billion or higher—would:

- Reduce unnecessary regulatory burden on well-managed community institutions
- Free up capital and operational resources for customer service, innovation, and local economic development
- Align regulatory expectations with actual risk exposure and institutional complexity
- Preserve the intent of Part 363 without penalizing growth or scale

As someone deeply involved in Community banking operations and compensation strategy, I see firsthand how these requirements impact resource allocation and

strategic planning. A modernized threshold would allow institutions to focus more effectively on performance, customer outcomes, and prudent risk management—without compromising regulatory integrity.

I urge the FDIC to consider this adjustment as part of its ongoing commitment to proportional, risk-based regulation. Thank you for your attention to this important matter.

Sincerely,

**Sidney O. Smith, President**  
**Port Richmond Savings**

