



September 16, 2025

Jennifer Jones, Deputy Executive Secretary
Attention: Comments RIN 3064-AG10
Federal Deposit Insurance Corporation
550 17th Street NW,
Washington, DC 20429.

Via Email: comments@fdic.gov

Re: Rise Economy opposes FDIC efforts to eliminate public comment and make other harmful changes to the bank branch opening approval process

Dear Deputy Executive Secretary Jones,

Rise Economy respectfully submits this comment letter opposing the FDIC's proposal to eliminate public comment and make other harmful changes as part of the bank branch opening approval process.

Rise Economy is a California-based alliance representing over 300 member organizations that work to create systemic change and economic justice in BIPOC and low-income communities. Our coalition includes organizations that partner with banks to help them meet local community credit needs, including Community Development Financial Institutions (CDFI), Community Land Trust (CLT), financial literacy, affordable housing, fair housing, community development, small business, legal service, advocacy, and other community serving organizations. We have availed ourselves of the right and opportunity to comment on branch opening applications, hope to do so in the future if circumstances warrant, and believe that we and our communities will be harmed if these proposed changes are implemented.

"Accordingly, the proposal would ... eliminate the public comment process."¹

¹ Establishment and Relocation of Branch Offices, 90 Fed. Reg. 33898 (July 18, 2025).



We object to the proposal's attempt to alter the branch opening application process to:

- eliminate all relevant public notice and filing requirements.
- shorten the approval period for expedited processing.
- eliminate FDIC discretion to remove a filing from expedited processing.
- eliminate the opportunity for public comment and public hearings.
- create a definition of "de minimus" relocation of bank branches.
- eliminate the requirement to post notices in local media outlets.
- establish a new eligibility criterion for intrastate branch relocation or main office relocation filings to aid them in qualifying for expedited processing where they otherwise could not.

The FDIC's stated goals ring hollow. These dramatic changes to eliminate or reduce public input and consideration of consumer and community concerns are being proposed in the name of increased speed, greater certainty and reduced regulatory burden.² But the proposal itself does not make the case that these changes will significantly further the stated goals. The proposal appears instead to be a solution in search of a problem which will create less access for the public and more opacity.

Is there uncertainty? Is there really much uncertainty plaguing the branch opening application process? How many such applications have been denied in the last decade, if any? We do not believe that Bank CEOs are frustrated in their efforts to run their institutions because of uncertainty as to the FDIC's branch opening application process.

Saving two hours of staff time is not worth eliminating public participation. How much regulatory burden is currently oppressing financial institutions here? The FDIC suggests these changes will shave a mere two hours of work per application off of the plate of banks³. We do not believe that this modest benefit to banks is worth eliminating the public input process and reversing the procedural precedents put in place.

² Establishment and Relocation of Branch Offices, 90 Fed. Reg. 33898 (July 18, 2025).

³ Establishment and Relocation of Branch Offices, 90 Fed. Reg. 33904 (July 18, 2025).



The current process appears quick, with the strong majority of applications being processed in less than a month. The FDIC notes that fully 85% of relevant applications obtain expedited review and that expedited review of these applications takes on average 25 days. More specifically, the FDIC notes that from 2015 to 2024 it received 6641 branch applications, that 85% of these applications benefited from expedited review, and that the average time to process applications subject to expedited review was a mere 25 days. Even for the small minority of applications that went through standard review, the time to process the application was only 69 days.⁴ Where is the harm to banks?

Public participation is required to help the FDIC meet its CRA and FDI obligations to consider the bank’s record of meeting the credit needs of its LMI communities as well as the convenience and needs of the communities to be served.

The Community Reinvestment Act (CRA) provides that, “In connection with its examination of a financial institution, the appropriate Federal financial supervisory agency shall— (1) assess the institution’s record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institution; and (2) take such record into account in its evaluation of an application for a deposit facility by such institution.”⁵

The CRA statute defines the term “application for a deposit facility” to mean “an application to the appropriate Federal financial supervisory agency otherwise required under Federal law or regulations thereunder for, — ... (C) the establishment of a domestic branch or other facility with the ability to accept deposits of a regulated financial institution; and (D) the relocation of the home office or a branch office of a regulated financial institution’ amongst other activities.”⁶

⁴ Establishment and Relocation of Branch Offices, 90 Fed. Reg. 33899 (July 18, 2025).

⁵ 12 U.S.C. 2903(a).

⁶ 12 U.S.C. 2902(3).



The FDIC proposal notes that “Section 18(d)(1) of the Federal Deposit Insurance Act (FDI Act) requires the FDIC’s prior written consent for an insured State nonmember bank to establish and operate a new domestic branch or to move its main office or any domestic branch from one location to another... When considering whether to grant or withhold such consent, the FDIC must consider the factors listed in section 6 of the FDI Act (statutory factors). The statutory factors are as follows: ... (6) the convenience and needs of the community to be served by the bank.”⁷

There can be no meaningful consideration of the above factors when the public is shut out of the process. This may be especially true for convenience and needs considerations which we believe are meant to be forward-looking. There is no better judge than the community as to whether banks are meeting the credit needs of the community and whether the community’s convenience and needs will be met.

The FDIC notes “Accordingly, eliminating the public comment period would not be inconsistent with the FDIC’s obligations under the CRA.”⁸ We respectfully and completely disagree. The CRA requires the FDIC to take into account the institution’s record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, when it evaluates an application by such institution for a deposit facility. Shutting out the community and abrogating the right of community members to file comments on whether a bank is meeting the community’s credit needs is entirely inconsistent with the Community Reinvestment Act.

We also question the FDIC’s conclusions as to the quantity and quality of the public comments it has received. The FDIC does acknowledge that it has received seven public comments on branch opening applications per year over the last five years⁹ (which included the period during which the nation’s consumers suffered from the COVID pandemic and its economic and other

⁷ Establishment and Relocation of Branch Offices, 90 Fed. Reg. 33898, 33899 (July 18, 2025).

⁸ Establishment and Relocation of Branch Offices, 90 Fed. Reg. 33900 (July 18, 2025).

⁹ Establishment and Relocation of Branch Offices, 90 Fed. Reg. 33900 (July 18, 2025).

impacts). It is not clear how many comments the FDIC would have considered to be a sufficient number in order for it to let stand the right of consumers and communities to comment. Further, we believe that the regulators cannot expect that the public will be motivated to file comments when it is unclear from their decisions whether the regulators meaningfully take such comments into account. Regardless, there is no question that members of the public have exercised their right to file such comments and no doubt would continue to do so in the future, if only the FDIC would let them.

The FDIC may be more focused on what it sees as the quality of such comments. It notes that “to the extent the FDIC has received comments in response to a branch application, such comments generally have not been specific to the application at hand and have, on balance, yielded little benefit for the purposes of the FDIC’s evaluation of the statutory factors with respect to that application.”¹⁰ We question this assessment. Without having seen these comments - and with no time to submit a request for such documents and to receive responses from the FDIC pursuant to the Freedom of Information Act - we are doubtful. We believe that those individuals taking the time to comment to the FDIC would likely be communicating a perspective on whether the bank in question was meeting community credit needs or would serve the convenience and needs of the communities to be served.

The FDIC also “proposes to eliminate from the public hearing provisions of 12 CFR 303.10(a) the reference to an insured State nonmember bank to establish a domestic branch or to relocate a main office or domestic branch.”¹¹ But requests for hearings have been made and even granted. “The FDIC rarely receives requests for hearings concerning applications under subpart C and conducts such hearings even less frequently.”¹² The FDIC’s failure to grant many public hearings is not a justification for eliminating the right of the public to request hearings. Perhaps had the FDIC

¹⁰ Establishment and Relocation of Branch Offices, 90 Fed. Reg. 33900 (July 18, 2025).

¹¹ Establishment and Relocation of Branch Offices, 90 Fed. Reg. 33900 (July 18, 2025).

¹² Id.



granted more public hearing requests, the public record would reflect substantive comments addressing statutory factors that the FDIC must consider in its evaluation. We will never know.

The FDIC overreaches in proposing to remove FDIC discretion. We object to the proposed shortening of the approval period for expedited processing, new eligibility criteria for intrastate branch relocation or main office relocation filings to qualify for expedited processing, and the elimination of FDIC discretion to remove a filing from expedited processing.¹³

If the FDIC does not wish to remove a filing from expedited processing, it can do nothing, choose not to exercise its discretion, and leave the current framework alone.

The argument in favor of maintaining FDIC discretion is strongest in merely reviewing the serious and consequential factors outlined in the rule that could support discretionary removal.

"Currently, under subpart A of 12 CFR part 303 of the FDIC Rules and Regulations, the FDIC retains discretion to remove a filing from expedited processing for one of the following reasons:

- For filings subject to public notice, an adverse comment is received that warrants additional investigation or review;
- For filings subject to evaluation of CRA performance, a CRA protest is received that warrants additional investigation or review, or the appropriate regional director determines that the filing presents a significant CRA or compliance concern;
- For any filing, the appropriate regional director determines that the filing presents a significant supervisory concern, or raises a significant legal or policy issue; or
- For any filing, the appropriate regional director determines that other good cause exists for removal."¹⁴

¹³ Establishment and Relocation of Branch Offices, 90 Fed. Reg. 33902 (July 18, 2025).

¹⁴ Establishment and Relocation of Branch Offices, 90 Fed. Reg. 33902 (July 18, 2025).



If any of these conditions are met, we believe there would be good cause to deny or pause the branch opening application until the FDIC can determine if the bank is meeting its existing obligations, including its obligations to serve the community. But the rule is much narrower, merely providing the FDIC with the discretion to remove an application from expedited processing under certain circumstances. Yet the FDIC now wishes to prevent the FDIC from, presumably ever, choosing to slow down an application when such serious concerns are raised. This goes too far and shows a disregard not only for public input, but community impact as well.

De minimus is in the eye of the beholder and bank customers should have a say, not just the FDIC. There is no need to propose a definition of “de minimus” branch relocations which will only fast track these transactions and further remove them from full consideration of their community impacts. As just one example, the proposed definition of a “de minimis” branch relocation could facilitate the closing of a street level branch in favor of the opening of another that may be visible from the old branch but that is located on the 30th floor of a high rise building and will thereby become much less inviting and accessible to certain community members than the closed branch.

Please do not lightly remove newspaper posting requirements.

Finally, we object to the removal of the requirement to post notice in a local newspaper.¹⁵ We reiterate our concerns about eliminating all public notice, filing, comment, and hearing requirements. In particular we are concerned about movements away from local newspaper posting requirements. Rise Economy members report that local and ethnic media continue to play an important role in informing, educating and engaging community members. This is how many consumers still receive their news and connect.

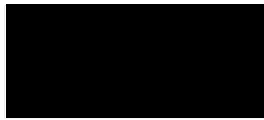
In conclusion, we respectfully urge the FDIC to change course and to refrain from implementing any of the changes in the proposal.

¹⁵ Establishment and Relocation of Branch Offices, 90 Fed. Reg. 33903 (July 18, 2025).



Thank you for your consideration of our views. Should you have any questions about this letter, please feel free to reach out to Kevin Stein at Rise Economy at [REDACTED], or [REDACTED].

Very Truly Yours,



Kevin Stein
Rise Economy