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| **From:** | Robert Rutkowski |
| **To:** | Public Information; Comments |
| **Subject:** | [EXTERNAL MESSAGE] The FDIC's New Policy to Rubber Stamp Mergers and Supersize Banks Will Hurt Consumers and Cause Crashes |
| **Date:** | Monday, May 19, 2025 1:06:36 PM |

[redacted]

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Chair (Acting)
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Re: The FDIC's New Policy to Rubber Stamp Mergers and Supersize Banks Will Hurt Consumers and Cause Crashes

Dear Chair:

Commenting in advance of tomorrow's noticed FDIC Board Meeting, where the 2024 merger policy will be withdrawn and replaced with a weaker, outdated one: At the meeting tomorrow, the FDIC plans to enact a politically motivated, irresponsible, baseless, and unnecessary merger policy change that will harm consumers and cause crashes. Mergers should be carefully evaluated as required under the current policy, not approved just because the banking industry wants them approved and because too many foolishly think bigger is better, when bigger is often more dangerous.

After too many years of rubber-stamping whatever merger the banking industry wanted, the FDIC in 2024, after years of careful consideration, and after a multiple public comment periods over several years, the FDIC implemented a merger policy that greatly improved the merger review process. In summary, before a merger could be approved, the FDIC would be required to determine that it was in the best interests of the community and didn't threaten financial stability. Nevertheless, almost immediately after being installed as Trump's Acting FDIC Chair a few months ago, you began working to kill that policy and replace it with an weak policy from nearly two decades ago, which is the policy Wall Street's megabanks want.

Withdrawal of the 2024 policy is a mistake for several reasons:

- The 2024 policy prioritizes consumers and communities by stating that a post-merger bank would need to ***better*** meet the convenience and needs of the community and be financially ***stronger*** than the original bank.
- The 2024 policy specifically considers the financial stability effects of the merger.
- The 2024 policy adds clarity on the expectation for public hearings for larger mergers.

In September 2024, the FDIC itself trumpeted and detailed the benefits of the new policy:

The [2024 Policy] updates, strengthens, and clarifies the FDIC's policies related to the evaluation of bank merger applications. As compared to the Superseded Statement, the Final Statement includes new content; is more principles-based; addresses jurisdiction and scope; describes the FDIC's approach to each statutory factor separately; and highlights other matters and considerations such as interstate mergers and the unique aspects of applications from non-banks, operating noninsured entities, and banks that are not traditional community banks. The Final Statement highlights the FDIC's expectations relative to each statutory factor and incorporates analytical considerations for these areas.

Pretending to care about public input when they had clearly already decided what they were going to do, Trump's FDIC in March 2025 requested public input on a proposal to withdraw the very recently adopted 2024 merger policy. The public comment process yielded ***five substantive responses from public interest organizations*** detailing many valid reasons that the FDIC should keep the 2024 policy (which itself was supported by an ample record). No surprise, but the banking industry and Wall Street lobbyists supported gutting the 2024 policy. As expected, the FDIC surrendered to Wall Street instead of doing what is best for Main Street Americans.

Adding insult to injury, the current FDIC Board is an unbalanced, anti-democratic and hyper-partisan, if not rogue agency with three Republicans, no Democrats, and no Congressionally-confirmed agency heads. It should wait to make consequential decisions affecting the American people, the financial system, and the economy until it has appropriate, representative leadership in place.

Yours sincerely,
Robert E. Rutkowski

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