TIOGA FRANKLIN
SAVINGS
BANK

Robert E. Feldman
Executive Secretary
Attention: Comments, Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

February 28, 2020

Re: Unsafe and Unsound Banking Practices: Brokered Deposits Restrictions
RIN 3064-AE94

Dear Secretary Feldman,

I am writing on behalf of Tioga Franklin Savings Bank, which serves the Fishtown area of Philadelphia, PA. As President and CEO, I am extremely concerned about the proposed FDIC rule on brokered deposit regulations. Any imposed limitations on the amount of activity or volume processed through third parties could result in a scaling back of our programs which is vital to our customers. The customers in our market come from a wide range of social and economic groups including young professionals and ethnic community members so their needs vary and we must offer products to fit their different requirements.

Tioga-Franklin spent its initial 145 years as a traditional local savings bank with passbooks and portfolio loans. Within 4 years, we've been able to convert over to a virtual banking presence offering competitive deposit and lending programs to a larger section of the region. We do not offer a cookie cutter approach to products and services and we make sure to provide customized one-on-one support for our customers including mortgage financing and small business banking.

As a very small community savings bank, we are not in a position to expand our overhead and administrative resources. We use third-party service providers to assist us with offering online and mobile banking, marketing, rewards product lines, debit cards, merchant services, mortgage lending and online application processes, fraud prevention, vendor management and more. Without third party providers, we would not be able to replicate the level for expertise our venders offer and would have to scale back the programs we have in place which was driven by our customers' needs and expectations.

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I believe the way the proposed rule is currently written, it would result in unintended consequences for community banks like mine by limiting innovation which will impact our ability to compete with larger banks. I propose creating specific intent in the FDIC rule and exempting vendors that are not in the business of providing third-party sourced liquidity to institutions. For example, I would suggest the following changes:

- Creating an exemption for service providers to banks that excludes anyone who provides services to a bank in connection to an account wherein the relationship is established directly between the insured depository institution and the individual depositor.
- Implementing a bright line test to apply the primary purpose exception for stable sources of deposits residing in transactions and relationship-based accounts.
- Narrow and clarify the definition of "facilitating the placement of deposits" in proposed section 337.6(a)(5)(ii) so that it does not inadvertently include third party service providers who help us operate in a safe, sound, and innovative manner

Tioga-Franklin Savings Bank serves an ever-changing community and it is our responsibility to our customers to be as forward-minded as possible for the services they need. Our bank does not have the immense resources on hand to handle all of our goals for the community in-house so we must turn to third-party partners for assistance. I ask that the FDIC take my comments into account and work to modify the language of this proposed rule to continue to support community banks and the innovation needed for the future.

Thank you for your consideration,

[redacted]

John T. Coleman
President & CEO, Tioga Franklin Savings Bank