April 3, 2020

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Depository Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

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

Dear Executive Secretary Feldman,

I am writing to you today with regard to the latest proposed rulemaking around brokered deposit restrictions. I am Founder and CEO of HT Mobile Apps (HTMA), which is a Michigan-based innovative FinTech company that serves banks across the country. We work with financial institutions ranging from $30 million in assets to over $18 billion in assets. Our Plinqit platform helps community financial institutions connect with their customers to help them save money for whatever they need most.

Our services include helping create a comprehensive program to educate families at key life stages with a mix of products and digital touchpoints. We research competitive markets, share industry best practices, help create marketing materials and bring children focused financial literacy apps to banks' customers for digital customer acquisition. Our product Plinqit is specifically designed to help our bank customers compete with direct to consumer FinTech solutions that their customers are using and that the banks do not have the ability to build themselves. We also help with creating a plan for rolling out our products such as Plinqit, as well as mobile strategy and implementation. We have thousands of happy financial institution end users with testimonials of how Plinqit is the first time they have been able to save for a true emergency fund. Our end users are learning to save money and critical money skills through our applications.

As a technology platform that works exclusively with financial institutions, I am extremely concerned about the FDIC's proposed rule. I fear that with the current rule, we could lose many of our bank customers if we are considered a "deposit broker." Community financial institutions work with HTMA because they don't have the technology, team or ability to create mobile apps, like Plinqit themselves. We not only bring in the technical expertise needed for community banks to offer competitive digital solutions like Plinqit, but we also strategize, research and analyze data to drive the best decisions for implementation. Plinqit enables community banks to compete with larger banks and megabanks that have their own mobile apps designed and developed in-house.

While I understand this might not be the FDIC's intention especially given the Staff Memorandum from March 2, I am still concerned with the existing language and want to make a point to lay out the issues that concern me. I am a former banker and have seen when there is grey area in any language, it can and will be misinterpreted and applied inconsistently.

To begin with the definition of "facilitating the placements of deposits" would make it so my clients would need to classify any deposits resulting from the use of my service as "brokered" because of the market research, data, consulting and advisory services we provide.

In order to remedy the issue, I suggest that third parties like HT Mobile Apps be excluded from the "deposit broker" definition. Third parties that help community banks offer innovative financial products to the customers they serve and do not establish direct relationships with the individual depositors, rather we help community banks make those direct connections. Therefore, our services should be excluded from the definition of deposit broker or at a minimum, there should be a bright-line standard under the primary purpose exemption ("PPE") to exempt third parties who do not own the depositor relationship from having to go through the proposed PPE application and determination process.

Additionally, the proposed definition of "facilitating the placement of deposits" focuses on the activities of third parties. The definition should be revised so that it does not inappropriately capture third parties who provide services to banks for the purpose of enabling the bank to establish deposit accounts directly with individual depositors. Rather than focusing on activities of third parties, I respectfully suggest that the rule should focus on the strength and characteristics of the direct relationships that third parties enable community banks to establish (and own) with individual depositors. Community banks utilize a relationship-based business model and they rely on external resources like my company to help them build and maintain the personal relationships that they establish with the small business owners and consumers who work and live in their communities.

FDIC Chairman Jelena McWilliams summed up the role that companies like ours plays in the banking industry when she said the following in her "The Future of Banking" speech on October 1, 2019:

> *"The cost to innovate is in many cases prohibitively high for community banks. They often lack the expertise, the information technology, and research and development budgets to independently develop and deploy their own technology. That is why partnering with a fintech that has already developed, tested, and rolled out new technology is often a critical mechanism for a community. The business case for collaboration is clear."*

We help community banks deliver the modern banking products, services and digital delivery capabilities that they would not otherwise be able to provide to their customers. Rather than restricting their use of innovators like my company, they should be empowered to form partnerships with a wide range of external resources provided those third parties enable the bank to directly establish and own all depositor relationships.

Thank you for the opportunity to voice my concerns and I hope you take into account the negative impacts the proposed rule, as currently written, could have on community banks, fintech companies and the customers that rely on community financial institutions every day.

Sincerely,

[redacted]

Kathleen Craig
Founder and CEO
HT Mobile Apps