

June 7, 2020

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

Re: RIN 3064-AE94

Dear Secretary. Feldman,

As so many highly qualified and experienced professionals in banking have said over and over again for many years now: There is zero evidence that brokered deposits are any less stable than core deposits. To improve the health of the banking industry, focus on the loan side, not the deposit side. Simply eliminate the brokered deposits category.

If we can't do that, then we must ensure there is a level playing for all banks of all sizes and all of their service providers. Brokered deposits from primary purpose exemption sources are no more or less volatile than brokered deposits from any other source. Why would deposits from third party payment providers, or broker dealers with less than 25% deposits in a business line, be any more stable than deposits from anyplace else? In fact, deposits from broker dealers are highly concentrated in the hands of one or two decision makers where their decisions are based upon revenue generated from the deposits. If a BD finds a new bank, or banks, that pay/s 5 or 10 basis points more than an existing bank or banks, they can easily move hundreds of millions or billions of dollars of deposits with the flick of a switch. The largest BD's with the largest business lines can create the most deposit volatility for banks in an instant. In addition, there are many healthy community banks that serve less populated areas, which are undesirable to large banks, and where their customers are net borrowers, rather than net depositors. Why should these smaller banks continue to be punished for accepting brokered deposits in order to serve their communities?

We are heartened to know that the issue of brokered deposits is finally ripe for the betterment of everyone in the industry. The clear and fair path is to simply eliminate the brokered deposits category. It has helped no one, and only serves to further complicate an already complicated landscape. If that is politically unpalatable, then the brokered deposits rules should create a level playing field for banks and bank providers of all types and sizes, and the primary purpose exemptions should be eliminated entirely.

Sincerely,

Bruce Bent II  
CEO  
Landing Rock Group LLC