



August 16, 2022

Mr. James P. Sheesley
Assistant Executive Secretary
Attention: Comments—RIN 3064-AF83
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, D.C. 20429

Dear Mr. Sheesley:

I am submitting this letter in response to the FDIC's request for comment on revised deposit insurance assessment rates. ANB Bank is a \$3 billion family- and employee-owned community bank serving Colorado and Wyoming. I am ANB's Vice-Chair and Chief Financial Officer.

I believe that the FDIC's proposal is neither necessary nor well-founded.


- It is not necessary as the statute requires only that the DIF meet the 1.35% level by September, 2028, whereas the FDIC plan would remain in place until the DIF reaches 2.00%.
- It is not well-founded because:
 - the extraordinary growth in deposits that caused the DIF to dip below 1.35% is already receding. The Federal Reserve's tightening cycle that is well underway is designed to contract the money supply, and thereby bank deposits. This will naturally tend to increase the DIF to its statutory level.
 - That same tightening cycle is also designed to lead to a softening economy. It is important that community banks, which exist to serve their local communities, retain both the capital and the liquidity to continue safe and sound lending during such a time.
 - Community banks as a group adhere to very prudent standards, and are very unlikely to cause the losses that the FDIC board appears to be trying to prepare for. Any increase in deposit assessment rates should be focused on the types of banks that are likely to lead to meaningful losses for the DIF, namely, large and complex institutions.

Therefore, I urge the FDIC to reconsider its proposal and either:

- Follow the statute to achieve 1.35% and stop there; or
- If more is needed, tailor the assessments to apply higher rates to large banks, which typically run with lower capital levels and much more complex activities, than do community banks under \$10 billion.

Thank you for the opportunity to comment.

Very truly yours,


Susan M. Sturm
Vice-Chair and Chief Financial Officer

