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February 9, 2024

Via Electronic Mail

Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
Attention: James P. Sheesley, Assistant Executive Secretary

Re: Notice of Proposed Rulemaking and Issuance of Guidelines: Guidelines Establishing Standards for Corporate Governance and Risk Management for Covered Institutions with Total Consolidated Assets of \$10 Billion or More; RIN 3064-AF94

Ladies and Gentlemen:

On behalf of Sallie Mae Bank, Salt Lake City, Utah,¹ we appreciate the opportunity to submit this letter in response to the Federal Deposit Insurance Corporation's (the "FDIC") request for comment on its notice of proposed rulemaking and issuance of guidelines establishing standards for corporate governance and risk management for covered institutions with total consolidated assets of \$10 billion or more (the "Proposed Guidelines"). Sallie Mae Bank writes in support of the comment letters regarding the Proposed Guidelines submitted by the (1) Society for Corporate Governance, (2) Mid-Size Bank Coalition of America, (3) American Bankers Association, and (4) Bank Policy Institute (collectively, "the Commenters").

Sallie Mae Bank agrees with the Commenters that the Proposed Guidelines are unnecessary for banks with total consolidated assets below \$50 billion, create confusion and conflict regarding the proper role of management and the board, including inconsistencies with state law fiduciary duties, and create costs that are not supported by quantifiable benefits. As the Commenters explain, unless the Proposed Guidelines are modified the burdens of attempting to comply with the prescriptive and sometimes conflicting requirements of the Proposed Guidelines risks creating net costs that exceed the expected benefits, to the detriment of the shared goal of the increased safety and soundness of our nation's banking system. Additionally, the Proposed Guidelines' prescriptive requirements add to the ever-growing "to do" list of bank boards of directors through, among other things, expanding the number of required board-approved

¹ Sallie Mae Bank is a Utah industrial bank with average total consolidated assets of approximately \$29.6 billion. Sallie Mae Bank is a wholly owned subsidiary of SLM Corporation.

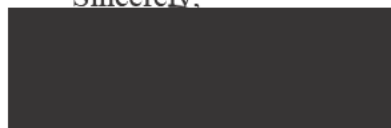
policies, mandating certain tasks occur quarterly rather than annually, and requiring boards to “ensure” various tasks more appropriate for management execution are in fact completed. These prescriptive requirements will consume limited agenda time that would be better utilized to dynamically identify, address, and respond to the unique and emerging risk and oversight matters each bank faces.

If the FDIC proceeds towards implementing the Proposed Guidelines, Sallie Mae Bank also specifically supports the following modifications:

- ***Align the Proposed Guidelines with existing corporate governance and risk management standards*** – The FDIC should, at a minimum, align the Proposed Guidelines with the Office of the Comptroller of the Currency Guidelines Establishing Heightened Standards for Certain Large Insured National Banks, Insured Federal Savings Associations, and Insured Federal Branches (the “OCC Heightened Standards”). The OCC Heightened Standards promote enhanced governance and risk management, while avoiding many of the prescriptive, conflicting, and burdensome aspects of the Proposed Guidelines. The complexity introduced by a new regulatory regime that deviates from the OCC Heightened Standards is likely to increase costs, including the hiring of new staff, outside consultants, and advisors to design and implement new processes and systems, which differ from existing industry standards, to ensure compliance with the Proposed Guidelines. The nuance and uncertainty caused by differences between the Proposed Guidelines and the OCC Heightened Standards is not value enhancing. If the OCC Heightened Standards are sufficient for banks with \$50 billion in assets or more, they are also sufficient for smaller banks.
- ***Implementation of a Transition Period*** – The Proposed Guidelines require multiple changes to corporate governance and risk oversight practices that will take time to plan, staff, and implement. If adopted as written, it appears the Proposed Guidelines would be effective immediately, without a transition period to achieve compliance. The FDIC should provide a transitional period pursuant to which banks are given one year from publication to achieve full compliance.

We appreciate the opportunity to comment. Please let me know if you have questions.

Sincerely,



Kerri A. Palmer
President and Chief Operational Officer,
Sallie Mae Bank