

From: Shelley Wetton <swetton@fivestarbanc.com>
Sent: Thursday, July 13, 2023 7:26 PM
To: Comments
Subject: [EXTERNAL MESSAGE] May 22, 2023 - Special Assessments Pursuant to Systemic Risk Determination - Notice of Proposed Rulemaking; Comment Request (RIN 3064-AF93)

Mr. James P. Sheesley
Assistant Executive Secretary
Attention: Comments—RIN 3064-AF93
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing regarding FDIC's proposal to exempt community banks under \$5 billion from the special assessment. As the President & CEO of Five Star Bank, a \$3.4 Billion community business bank headquartered near Sacramento, California, I am an advocate for our employees, customers, community partners and industry.

Five Star Bank operates under a vastly different business model than large banks like Silicon Valley Bank and Signature Bank. We are not overly concentrated in uninsured deposits and our business model is safe and sound. As such, we should not endure the responsibility for the outsized risk large banks pose to the financial system. Large assessments would negatively impact our bank's income, and potentially, force assessment costs to be passed to customers in order to offset the expense. This would negatively impact customers who represent small and medium-sized business throughout the United States.

At Five Star Bank, we are committed to economic development and to making a positive and sustainable impact on the health of our community and our customers. We focus on deploying funds back into our local economy in support of the communities and businesses we serve. It is therefore unconscionable that community banks like ours, who are safe and sound, would serve as a backstop to bailout the reckless practices and failures of large banks.

As a community steward and customer advocate, I strongly support the FDIC's proposal to limit special assessments to the 113 large banking organizations that hold large amounts of uninsured deposits. I also applaud the FDIC's decision to exempt community banks with fewer

than \$5 billion in assets from paying any special assessment for large bank failures. I strongly encourage the FDIC to finalize its rule as proposed.

Thank you for the opportunity to submit these comments.

Best, James Beckwith, President & CEO, Five Star Bank