

From: John Morley <jmorley@bankofeaston.com>
Sent: Monday, July 17, 2023 5:27 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 the FDIC's proposal to exempt community banks under \$5 billion for the special assessment following the systemic risk determinations that were made following the failures of SVB and SBNY. I am the President and CEO of Bank of Easton, a community bank located in Easton, MA. My bank has two branches located in Easton with total assets under \$200 million. Our focus is serving our immediate market with residential mortgages and retail deposit accounts. We have been serving our local community in good time and in bad, for 134 years.

I applaud the FDIC's decision to exempt community banks with fewer than \$5 billion in assets from paying any special assessment for the large bank failures of SVB and SBNY, I strongly encourage the FDIC to finalize its rule as proposed. We have discussed this proposal at our Board meetings and have concluded that there is a very strong case to be made for avoiding a one-size-fits-all approach to the special assessment. Community banks like my own do not operate in a manner that encourages risky strategies for the sake of maximizing profits. Nor does our business model rely on a heavy concentration of uninsured deposits.

Based on our limited resources (25 employees, 2 branches), the way we can compete with larger banks is by offering competitive rates for both mortgages and deposit account. Consequently, we have historically survived on a thin interest margin by controlling our expenses. A special assessment would be a significant burden to Bank of Easton. In fact, as a state-chartered cooperative bank, Bank of Easton already pays premiums to the Massachusetts Deposit Insurance Fund enabling us to insure our customers' deposits in full. A special assessment pursuant to the Systemic Risk Determination would cause us to have to re-evaluate the way we have successfully operated during my 25 years here at the bank.

Thank you for the opportunity to submit comments on the proposed special assessments.

John Morley

President

Bank of Easton

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