

From: [Points West Community Bank]

Sent: July 2023

To: Comments <Comments@FDIC.gov>

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 in regards to the FDIC's proposal to exempt community banks under \$5 billion from the special assessment following the systemic risk determinations announced after the failures of SVB and SBNY.

Points West Community Bank is a community bank chartered in Windsor, Colorado with \$783 million in assets. We serve smaller communities in Colorado, Nebraska, and Wyoming and in some cases are the only physical bank presence in the community. Our focus is on providing banking services to meet the needs of our local communities, as evidenced by our focus on agricultural and agricultural real estate lending.

I strongly support the FDIC's proposal to limit special assessments to the 113 large banking organizations that hold large amounts of uninsured deposits, and I encourage the FDIC to finalize its rule as proposed for the following reasons:

Community banks like ours take an entirely different approach to funding and balance sheet management than SVB and SBNY. Specifically, 94% of SVB's and 90% of SBNY's deposits were uninsured and Points West's uninsured deposits are less than 10%. This conservative approach and business model have provided steady earnings and stability since 1906.

Community banks should not be responsible for subsidizing the outsized risk large banks pose to the financial system. We are very aware of the risks of poor asset/liability management and make a point to manage and mitigate those risks in our daily operations.

Special assessments imposed due to the failures of SVB and SBNY are hugely burdensome for community banks that are already battling difficult rate and economic environments, as well as regulatory burdens that contribute to margin compression.

Points West is known for its involvement and participation in charitable causes in the communities we serve. This level of participation is only possible because of the conservative approach to risk management and steady earnings. If Points West is forced to bear the weight of poor decisions made by other banks, there will be a negative impact to the level of support we can provide in the future.

Thank you for avoiding a one-size-fits-all approach and exempting community banks from the special assessment. I support the FDIC's proposal and encourage the FDIC to finalize its rulemaking as proposed.