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Comment: Given the wide-ranging negative effects that the financial crisis of 2008 had on the American economy, it is commendable that the FDIC and other financial regulatory agencies have begun to institute stress tests for large financial institutions. However, I am concerned - along with many others - that the proposed regulations do not cover enough financial institutions. Currently, the proposed regulations encompass "any state nonmember bank or state-chartered savings association that has more than $10 billion in total consolidated assets". Because such stress tests are simply a part of prudent financial management, many financial institutions have already been conducting such tests on their own, but not releasing results publicly. While there were a few large financial institutions that folded during the financial crisis, there were many more smaller, local institutions that went bankrupt, causing irreparable damage to local economies and costing many families and individuals their hard-earned savings. Stress testing is a paramount indicator of the health and durability of a financial institution, but is also a complex and costly process - meaning that many smaller institutions will not conduct stress tests and remain painfully unaware of the risks they face. It is unrealistic to expect that smaller financial institutions will conduct stress tests without prodding from regulators, even though they - and all of their stakeholders - would greatly benefit from knowing the results of these stress tests. Therefore, I believe that the FDIC should re-consider the proposed threshold for stress tests, and lower the amount of capital needed to qualify for stress testing.

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