

May 7, 2019

Submitted via email (comments@fdic.gov)

Robert E. Feldman  
Executive Secretary  
Attention: Comments  
Federal Deposit Insurance Corporation  
550 17th Street, N.W.  
Washington, D.C. 20429

Re: Brokered Deposits RIN 3064-AE94

Dear Mr. Feldman,

This letter is submitted by Green Dot Corporation (“Green Dot”), a publicly traded financial technology leader and bank holding company with a mission to power the banking industry’s branchless future.<sup>1</sup> We appreciate the opportunity to comment on the Federal Deposit Insurance Corporation’s (“FDIC”) advance notice of proposed rulemaking (“ANPR”) on brokered deposits.

Green Dot is supportive of the comprehensive review and agrees with the FDIC that significant changes in technology, business models, and products warrant a review of the regulations, interpretations, guidance and other policies that make up the FDIC’s approach to brokered deposits. We believe that the current interpretation and application of who is considered a deposit broker, and by extension what deposits are considered brokered, is, in certain instances, unfairly penalizing and stigmatizing institutions that deliver deposit products

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<sup>1</sup> Our proprietary technology and our wholly-owned bank (Green Dot Bank) are used by America’s most prominent consumer and technology companies to design and deploy their own bespoke banking solutions to their customers and partners. We also use that same integrated technology and banking platform to design and deploy our own leading collection of banking and financial services products directly to consumers through one of the largest retail banking distribution platforms in America. Our products can be acquired through more than 100,000 retailers nationwide, thousands of corporate paycard partners, several “direct-to-consumer” branded websites, thousands of tax return preparation offices and accounting firms, thousands of neighborhood check cashing locations and both of the leading app stores.



and services in new and innovative ways. We respectfully request that as it reviews its regulatory approach to brokered deposits, the FDIC take into account the significant innovation and technological changes that have occurred in the banking ecosystem in the 30 years since the enactment of Section 29 of the Federal Deposit Insurance Act, and tailor its regulatory approach to brokered deposits accordingly.

Our primary concern with the FDIC's current interpretation of what constitutes a "deposit broker" is that it seemingly hinges on the involvement of any third party (including affiliates or subsidiaries of the bank) in sourcing the customer relationship or servicing the customer. By taking such a view, the FDIC has significantly expanded the types of entities considered deposit brokers beyond what was originally contemplated when Section 29 was enacted. As a result, entities such as retailers, employers, technology platforms, advertising and marketing partners, and Fintech partners may currently be classified as deposit brokers, despite the fact that their activities may only be incidentally linked to a deposit account. In light of this, we request that the FDIC limit its determination of what constitutes a "deposit broker" to the narrow scope contemplated by Section 29.

We also believe that the FDIC should exempt deposits involving a direct, continuing relationship between a customer and an insured depository institution (regardless of how such deposits are generated) from the definition of "brokered deposits." We believe these deposits are inherently stable and pose little risk to the deposit insurance fund.

We appreciate the opportunity to comment on the ANPR and respectfully request that the FDIC consider the views expressed in this letter as it reviews its regulatory approach to brokered deposits. If you have any questions or would like to discuss any issues raised in this letter, please do not hesitate to contact me at 626.765.2243 or [jricci@greendot.com](mailto:jricci@greendot.com).

Sincerely,

A black rectangular redaction box covering the signature of John Ricci.

John Ricci  
General Counsel  
Green Dot Corporation