

From: Scott Ball <sball@thebankofsalem.bank>
Sent: Friday, May 22, 2020 11:13 AM
To: Comments
Cc: Executive Committee
Subject: [EXTERNAL MESSAGE] RIN 3064-AF53

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Mr. Robert E. Feldman
Executive Secretary, FDIC:

Management and the Board of Directors of the Bank of Salem are deeply concerned with FDIC's response to mitigate the effects of PPP loans on our bank's FDIC Assessments. The proposal suggests an offset to the assessment base for the quarterly average amount of PPP loans pledged against borrowing from the FRB's Liquidity Facility. A quarterly average will not reflect the true quarter-end outstanding balances of PPP loans, and our bank has not borrowed a penny from the FRB's Liquidity Facility to fund PPP loans. In our scenario, I believe our offset would result in little to no mitigation to the effects of PPP loans on our Assessment.

Our bank's Total Assets and Total Deposits are at the highest level they have been in the 137 years we have been in business. This is directly due to making SBA PPP loans. We participated in the PPP Program, not for the benefit of the bank but for the benefit of our local businesses and economy. Banks should not be penalized with higher assessments for participating in a Federal program and providing a public service.

In closing, we urge the FDIC to amend its proposal to make FDIC assessments fully adjusted for all of a bank's quarter-end outstanding balances of PPP loans, in both assessment base and assessment rate. Thank you for considering our comments.

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