



NORTH DAKOTA  
**BANKERS**  
ASSOCIATION

May 27, 2020

Mr. Robert Feldman, Executive Secretary  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington DC 20429

Via: [comments@fdic.gov](mailto:comments@fdic.gov)

RE: **RIN 3064-AF53**

Dear Mr. Feldman:

The North Dakota Bankers Association (“NDBA”) welcomes this opportunity to comment upon the recent proposed rulemaking to mitigate the deposit insurance assessment effects of participating in the Paycheck Protection Program (PPP) as well as the related lending facility. With virtual all North Dakota banks in North Dakota participating in the PPP, NDBA has significant concerns with the rule as proposed.

As written, the proposal only allows for an offset to certain elements used in calculating the assessment rate and to the assessment base for the quarterly average amount of PPP loans pledged against borrowing from the Federal Reserve’s PPP Liquidity Facility (PPPLF). Overall, borrowing from the PPPLF is only seven percent of outstanding PPP loans (for banks and nonbanks). Therefore, these adjustments grossly understate the actual amount of PPP lending and are not helpful to most institutions participating in PPP lending. Many banks have ample deposits to finance PPP loans and therefore have not needed to access the PPPLF at an additional cost. Banks should not be penalized for participating in this important program that has successfully served so many small businesses during this extraordinary time.

On behalf of our 71 member banks, NDBA respectfully recommends that a full adjustment for PPP lending without regard to participation in the PPPLF be implemented to mitigate the impact on assessment bases and rates

Thank you for your consideration of our comments.

Sincerely,

NORTH DAKOTA BANKERS ASSOCIATION



Rick Clayburgh  
President / CEO