From: bob smithfield
To: BankMergerApplication
Subject: [EXTERNAL MESSAGE] proposed merger BB&T-SunTrust public comment
Date: Friday, May 03, 2019 3:48:56 PM

Merger of BB&T and SunTrust; Public Comment Period Extended,

Public Comment dated May 03 2019

Public Comment Submitted by Robert Smithfield
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[redacted]

Dear FDIC,

I am not in any way affiliated with either of the banks of the proposed merger, and I am not an employee of any bank or S&L or organization representing any of these. I am a citizen and employed in the grocery business.

I am using this email address as recommended today, May 03 2019, by an Atlanta FDIC staff member in response to my call to deliver an outline of my reasons for deciding that the FDIC can reasonably and in response to facts about American banking oppose the proposed BB&T-SunTrust merger.

First, let the following introduce one reason to oppose the merger:

"This combination puts together not only a very attractive footprint when you look at demographics, but it also creates a more competitive franchise to compete against much bigger banks," says Brian Klock, an analyst with Keefe, Bruyette & Woods. "Population growth really matters if you are a long-term bank investor," adds Andrew Boord, a portfolio manager at the $2.9 billion Fenimore Asset Management Small Cap Fund, which counts bank investments as a specialty. "This bank is well positioned." (Feb 7, 2019, 12:41pm, Forbes forbes.com, BB&T And SunTrust's $66B Merger Underscores A Postcrisis Boom In Florida, Georgia And The Carolinas, Antoine Gara, Forbes Staff)

An attractive investment does not by nature and when regarded historically contribute to a financially responsible, sound, and regionally integrated bank. I believe that at least one other public commenter on the proposed merger has pointed out to the FDIC that a merged bank of the size of the proposed operationally becomes less responsive to the needs of the local communities it serves. Historically, it is also more often the case that a smaller bank with fewer assets that are locally generated by personal and business deposits (and thereby form the practical financial basis for loans, for credit, expansion of the money supply) is also a bank that is more likely (not guaranteed) to be more financially representative of and thereby to function to contribute to the financial productivity and tangible assets of its depositors' communities. The smaller bank has more staff in direct and personal contact with depositors, which contact tempers the banks actions as a lender and enables it to be a public gauge of general community (depositors) financial vigor and integrity. This in turn makes the smaller bank more likely to contribute useful information about regional economic and financial realities and contributes to regional and national banking system vigor and integrity.

This fact cannot be avoided or regulated out of existence, but it can be mitigated by maintaining human scale organization footprints.

The size of the proposed SunTrust-BB&T merged entity almost promises severe dilution of the daily and continuous long term effective gathering of depositor and loan customer financial vigor and integrity; the lag in communication of this sort of vital financial information has always contributed to financially and economically hurtful outcomes, makes local economies less financially viable, contributes to personal financial and business financial carelessness, constitutes a financial impediment to the depositor communities it serves but does not actually know, and constitutes a potential financial and economic disaster if its lack of contact with community realities enables it to carry on imprudent lending and other operational practices.

My second reason to oppose the proposed merger is that the review and approval process misses the whole point of the operational realities that the merged entity will operate in. The merged entity is not in fact two smaller entities in cooperation, nor it is one larger entity that will think of itself as a smaller bank or as either of its smaller predecessors. It will in fact operate in a new environment formed by the financial communities and business entities; it will be regarded differently by investors and it will be administered in a distinctly altered form from either of its predecessors. So what do we make of the following, from americanbanker.com:

"...There is, however, no reason to sound any alarms.

Over the last 155 years, Congress has constructed and reconstructed an arduous gauntlet for the review and approval of bank mergers. The Dodd-Frank Act significantly raised those hurdles. Every merger either meets those standards and receives approval, or it does not.

Every aspect of the institutions and their proposed merger is relentlessly and painstakingly scrutinized — usually several times by multiple federal and state agencies. Regulators evaluate the safety and soundness of the institutions, the future prospects of the combined entity, the quality of management, the adequacy of capital and liquidity levels, the quality of risk management, the status of any outstanding examination or regulatory issues, the competitive consequences of the combination, the benefits to the communities served, the parties' record of compliance with consumer protection laws, anti-money-laundering standards and fair lending within their communities, and the impact of the transaction on the stability of the financial system."

(Feburary 26 2019 American Banker americanbanker.com, BankThink Criticism of BB&T-SunTrust deal is overblown)

How can it go wrong with all that scrutiny? That begs the question of the history of banks, both regulated and unregulated.

I sum by stating only that whether a grocery store or a bank or a manufacturer, it is the proximity of the people who operate the business with the people who patronize the business that provide the necessary and prudent, effective communications among them of the operational information necessary for mutually productive and mutually beneficial relationships among them. These relationships are as good as regulation ever gets for individuals, businesses and communities. These provide some measure of factual decision making that give individuals, businesses and communities the abilities to change, be productive and endure over historically long periods. It does not matter how many big banks that there are, but it does matter that bigness when it fails has demonstrably more terrible and financially costly consequences than when big mistakes are made by little alternatives.