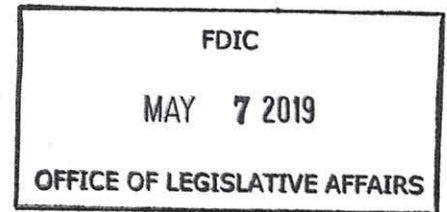


Congress of the United States  
Washington, DC 20515

LA19-141 &  
LA19-142

May 6, 2019



Mr. Robert E. Feldman  
Executive Secretary  
Attention: Comments / Legal ESS  
Federal Deposit Insurance Corporation  
550 17th Street NW Washington, DC 20429

Dear Mr. Feldman,

We appreciate the opportunity to comment on the Federal Deposit Insurance Corporation's (FDIC) Advanced Notice of Proposed Rulemaking: Unsafe and Unsound Banking Practices: Brokered Deposits and Interest Rate Restrictions.

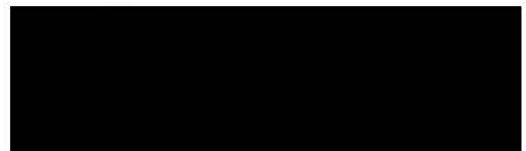
Our specific concern relates to the statutory exception from the definition of deposit broker as it pertains to exclusive agents of an insurance company who help secure deposits for an affiliated depository institution of such insurance company and are contractually prohibited from placing deposits with any unaffiliated depository institution. It is our belief that in these circumstances, the FDIC has incorrectly interpreted and applied the "primary purpose" exception under Section 29(g)(2)(I) of the Federal Deposit Insurance Act. As a result, exclusive agents of an insurance company, simply meeting the everyday insurance needs of ordinary citizens such as home, auto, and life, have been classified as more problematic deposit brokers when they try to provide ancillary banking services to their customers in marketing bank deposit products for an affiliated bank. As a result, the deposits of these customers are treated "as brokered" and levied higher deposit insurance assessments, although such deposits bear none of the indicia (e.g., rapid bank growth, volatility in bank deposits, paying excessive interest rates) which caused the FDIC and Congress to take action against brokered deposits in the first instance. Indeed, it is our view that the "primary purpose" exception was developed and approved by Congress with these types of exclusive insurance agent relationships in mind.

In conclusion, we believe this ANPR presents an excellent opportunity for the FDIC to correct administratively its misapplication of the "primary purpose" exception. Thank you for your consideration.

Sincerely,



Darin LaHood  
Member of Congress



Cheri Bustos  
Member of Congress