GEORGIA BANKERS ASSOCIATION

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May 26, 2020

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, D.C. 20429

Re: RIN 3064-AF53

Dear Mr. Feldman:

I write on behalf of our member banks across Georgia with regard to the recent notice of 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 nearly all commercial banks and thrifts in our membership participating in the PPP, we have 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 Federal Reserve's PPP Liquidity Facility (PPPLF). Therefore, these adjustments grossly understate the actual amount of PPP lending and are not helpful to a majority of 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. In addition, they should not be penalized for participating in this important program that has successfully served so many small businesses in this extraordinary climate.

We respectfully recommend that a full adjustment for PPP lending without regard to participation in the PPPLF be implemented in order to mitigate the impact on assessment bases and rates. Thank you for the opportunity to submit our comments and trust that you will call on me with any additional questions.

Sincerely,

[redacted]

Joe Brannen
President & CEO

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