Missouri Bankers Association

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 the 225 member banks of the Missouri Bankers Association regarding 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. Certainly, the entirety of our membership has significant concerns with the rule as proposed.

As written, the proposal only allows for the elimination of PPP loans 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, the adjustments as proposed grossly understate the impact that PPP lending will have on FDIC insurance assessments. Elimination of the impact of government guaranteed and forgivable PPP loans on the FDIC insurance assessment should be the goal, not just mitigation. As such, PPP loans should be eliminated from the assessment base as well as the rate calculation. 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 time.

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 the assessment base and rate. Thank you for the opportunity to submit our comments and trust that you will call on me with any additional questions.

Sincerely,

[redacted]

Max Cook
President and CEO

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