# CONNECTICUT BANKERS ASSOCIATION

May 27, 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 am writing on behalf of the Connecticut Bankers Association's forty-nine member banks with regard to the recent FDIC proposal to mitigate the effects of loans made under the Paycheck Protection Program (PPP) on bank deposit insurance assessments. We respectfully request, for the reasons provided below, that the proposed rule be significantly expanded to ensure all banks will benefit from the proposed relief measures.

The proposed rule falls short of providing needed relief by limiting the proposed offset against a bank's assessment base to PPP loans that have been pledged against funds borrowed from the Federal Reserve's PPP Liquidity Facility (PPPLF). Further, the adjustments made to the formula used to calculate a bank's assessment rate are also limited to PPPLF-pledged loans. We believe that most Connecticut banks have not borrowed from the PPPLF because they have deposits sufficient to fund their PPP loans and borrowing from the PPPLF would be at a cost of 35 basis points. Therefore, these adjustments are not helpful to a majority of Connecticut banks participating in the PPP. Banks that have not borrowed from the PPPLF to fund their PPP loans should not be penalized for serving their communities by participating in this program.

We respectfully request 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. Please do not hesitate to contact me with any questions you may have.

Sincerely,

[redacted]

Thomas S. Mongellow
President and CEO