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

February 21, 2020

**Re: Unsafe and Unsound Banking Practices: Brokered Deposits Restrictions
RIN 3064-AE94**

Dear Mr. Feldman,

I am reaching out on behalf of Williamstown Bank to provide feedback and comments on the FDIC's recent notice of proposed rulemaking regarding brokered deposit regulations. As one of the few standing locally owned and operated community banks in our state, I am concerned that the lack of clear language in this rule and the potential mischaracterization of third-party service providers will have a negative impact on our ability to run our bank effectively and competitively.

Williamstown Bank has served the greater Parkersburg and Williamstown areas in West Virginia since 1919, covering a community of about 35,000 people. We pride ourselves on our ability to provide high touch, high quality customer service where we know our customers or their business by name, face, and family.

In order to retain customers and attract new ones, we must continuously provide innovative products and services, manage our balance sheet efficiently, and use every possible tool to market and compete with larger regionals or national banks. The proposed language from the FDIC regarding brokered deposits restrictions would hinder our ability to do any of the above well because of our reliance on third-party partners. Since we do not currently maintain any brokered deposits on our balance sheet today (a strategic decision we have purposefully pursued), classifying some of our critical partners as such would risk our ability to rely on them.

We use third-parties in several capacities, but most importantly we partner with these providers to bring innovative deposit products, enhanced and smarter marketing techniques, effective

liquidity management, and risk monitoring procedures. In sum, the whole point of having these partners is that we cannot do all of these things well on our own.

With the addition of a handful of exceptions and clarifications, I believe the brokered deposits rule could be improved while also allowing community banks like ours to flourish and compete. Specifically, those recommended changes are:

- 1. Create an express exemption for service providers to banks that excludes anyone who provides services to a bank where the relationship is established directly between the bank and the individual depositor.**
- 2. Implement a bright line test to apply the primary purpose exception for stable sources of deposits residing in transactions and relationship-based accounts. This type of deposit demonstrates the relationship between my institution and the depositor. These balances contribute to my institution's franchise value.**
- 3. Narrow and clarify the definition of "facilitating the placement of deposits" in proposed section 337.6(a)(5)(ii) so that it does not include third-party service providers who help us operate our business in a safe, sound, and innovative manner.**
- 4. Grandfather all prior FDIC Advisory Opinions so that my current relationships with industry partners are not compromised by the rule.**

Thank you for your consideration of this letter. I am confident that the intention of this language is not to put community banks at a disadvantage and hope that sharing our story will help provide clarity for the FDIC as you approach revisions.

Thank you again.


Sharon Anderson
Senior Vice President, Williamstown Bank