Nebraska Independent Community Bankers

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August 19, 2022

Mr. James P. Sheesley
Assistant Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

RE: Proposed Rule on Revised Deposit Insurance Assessment Rates

Dear Mr. Sheesley,

The Nebraska Independent Community Bankers (NICB) would like to express our concern regarding the FDIC's proposed rule on revised deposit insurance assessment rates which will uniformly increase the assessment rate by 2 basis points.

Part of our concern lies in the fact the FDIC implemented a restoration plan for the Deposit Insurance Fund (DIF) in September 2020 without any increased assessments. However, the proposed rule now seeks a uniform assessment increase of 2 basis points not only to meet the DIF reserve ratio statutorily set by Congress of 1.35% by September 30, 2028, but to meet the FDIC's own reserve ratio goal of 2%.

While we recognize the influx of deposits created by pandemic stimulus packages caused the DIF reserve ratio to dip below the statutorily required mark, we firmly believe community banks should not be punished for deposit growth primarily created by the federal government. As stimulus monies begin to fall off community bank balance sheets, it should be clear deposit growth due to actions during the pandemic will not be persistent. We find it likely the DIF reserve ratio will be normalized by the 2028 deadline due to natural decline in deposit growth following the infusion of money into the economy by the government.

The NICB believes this proposed rule will disproportionately burden well capitalized community banks and we ask the FDIC to table the proposal until it is clear pandemic era deposit growth will be sustained for the next several years.

Sincerely,

[redacted]

S. Dexter Schrodt, JD
President & CEO