From:	Jenna Burke <Jenna.Burke@icba.org>
Sent:	Friday, June 03, 2022 6:28 PM
To:	Comments
Cc:	Jack Coleman; Aaron Stetter
Subject:	[EXTERNAL MESSAGE] RIN 3064-ZA32 Statement of Principles for Climate Related Financial Risk Management for Large Financial Institutions
Attachments:	American Bank.pdf; Barwick Banking Company.pdf; Blake A. Heid.pdf; Bob Cerkovnik.pdf; BOM Bank.pdf; Cami Akes.pdf; Cattlemens Bank.pdf; Chad Lewis.pdf; Chip Lynch.pdf; Christopher Martin.pdf; Citizens Bank of Clovis.pdf; Claremont Savings Bank.pdf; Commercial Bank.pdf; Curtis Armor.pdf; Daniel Whalen.pdf; Dave Rebol.pdf; Don P. Meyer.pdf; Farmers & Merchants Bank.pdf; Farmers State Bank.pdf; Financial Security Bank.pdf; First Community Bank.pdf; First Option Bank.pdf; Fowler State Bank.pdf; Freedom Bank.pdf; German American State Bank.pdf; Iowa Trust & Savings Bank.pdf; James Oeltjenbruns.pdf; Jennifer Eckert.pdf; John Denkler.pdf; K. Konrad Heid.pdf; Kirk Sibley.pdf; Lari Scheu.pdf; Legence Bank.pdf; Legends Bank.pdf; Matt Meynardie.pdf; New Market Bank.pdf; North Central Bank.pdf; PeoplesTrust Bank.pdf; PriorityOne Bank.pdf; Security First Bank of North Dakota.pdf; Shelby County State Bank.pdf; Sidney Smith.pdf; Somersest Savings Bank.pdf; Springs Valley Bank and Trust Company.pdf; Summit Bank.pdf; The Commercial Bank.pdf; The Peoples Bank Co..pdf; Tioga State Bank.pdf; Troy Bank & Trust.pdf; Tyler Bender.pdf; Union Bank Inc..pdf; Vermilion Bank & Trust Co.pdf; Whitesville State Bank.pdf; Wilcox Bancshares, Inc..pdf; Wyoming Bank & Trust.pdf; Zan Prince.pdf

Dear Mr. Sheesley,

The ICBA, as an intermediary, is transmitting to you individual comment letters submitted by the following individuals and banks listed in the table below. Copies of these comments are attached. It is possible you have already received these comments, however, since we are experiencing technical difficulties with a website vendor, we are submitting copies of these letters to you directly to ensure the FDIC has an opportunity to review these individual letters for publication in the record in the event you are not already in receipt of these comments. We sincerely apologize if this results in the FDIC reviewing duplicate comments, and we believe we have corrected the issue for future filings. We hope the list below assists your staff in cross checking the docket for any duplicates you may receive. Should you have any questions, please do not hesitate to contact me directly.

Security First Bank of North Dakota	Sarah Getzlaff
	Tyler Bender
The Commercial Bank	C. Nakia Davis
Barwick Banking Company	Jim Bange
St. Clair County State Bank	Kirk Sibley
Central State Bank	Matt Meynardie
Summit Bank	Craig Wanichek
	Dave Rebol
Somerset Savings Bank	William Taylor
Claremont Savings Bank	Reginald Greene
Peoples Savings Bank of Rhineland	Don P. Meyer
Wahoo State Bank	Greg Hohl
Legends Bank	Thomas Bates

	Zan Prince
Farmers State Bank	Gene Neighbor
North Central Bank	Kim McKee
Tioga State Bank, N.A.	Robert M. Fisher
Troy Bank & Trust	Jennifer Pelham
New Market Bank	Anita Drentlaw
First Community Bank	Verlin (Gus) Barker
PeoplesTrust Bank	Randy Whitehead
Whitesville State Bank	Robert L. Milam Jr.
Freedom Bank	Donald Bennett
Shelby County State Bank	Jodie M. Ogle
Union Bank, Inc.	Tim Aiken
	Bob Cerkovnik
The Peoples Bank Co.	Jack Hartings
Farmers & Merchants Bank	Shon Myers
Cattlemens Bank	Rick Holder
BOM Bank	Ken Hale
	Jennifer Eckert
Legence Bank	Alan Jones
Commercial Bank	Nathan Bartlett
	Daniel Whalen
Vermilion Bank & Trust Company	Joseph A. Couvillon
American Bank	Andrew R. Kostyal
	Chip Lynch
Shamrock Bank, N.A.	Curtis Armor
	Sidney Smith
PriorityOne Bank	Robert J. Barnes
	James Oeltjenbruns
Peoples Bank of East TN	Lari Scheu
Citizens Bank of Clovis	Kent Carruthers
Fowler State Bank	Steven K. Brunton
	Christopher Martin
Wyoming Bank & Trust	Jeff Wallace
German American State Bank	Warren Laube
Wilcox Bancshares, Inc.	Noah Wilcox
Iowa Trust & Savings Bank	Kris M. Ausborn
First Option Bank	K. Konrad Heid
First Option Bank	Mark P. Williams
First Option Bank	Cami Akes
	John Denkler
Financial Security Bank	Terri Barrett
First Option Bank	Chad Lewis
First Option Bank	Blake A. Heid

Jenna Burke
Senior Vice President, Senior Regulatory Counsel
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One Mission. Community Banks.®

Community banks spur job creation and reinvest local dollars back into communities across America. Support our mission and Bank Locally.

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. I am the Senior Vice President and Risk Officer of American Bank, a $700 million community bank located in Bozeman, Montana. We primarily provide commercial construction and general commercial loans. I am concerned that the FDIC may, in the future, apply this climate-related financial risk management to community banks. Such application may significantly impact our ability to remain competitive. Even if not directly applied to community banks, such regulation may have the unintended consequences that, to remain competitive, community banks may need to comply (similar to interchange income constraints for large banks that de facto require smaller banks to adhere to in order to remain competitive). Specifically: - Costs associated with scenario analysis; - Hiring qualified experts to perform scenario analysis; and - Gathering more data from customers. Further, we already implement stress testing on our loan portfolio as part of CECL and consider climate issues in our Business Continuity/Disaster Recovery program. Thank you for the opportunity to submit comments on the proposed framework as well as currently limiting this proposal to banks with more than $100 billion in assets. Please conduct outreach with community bankers to better understand why this proposal should never apply to community banks.

Andrew R. Kostyal

Bozeman, MT

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. I am the CEO of Barwick Banking Company, a $230 million community bank located in Barwick, GA, with branch offices in St. Augustine and Ormond Beach, FL. We primarily provide agricultural loans and are the only bank with a physical branch presence in Barwick GA. Our other branches are one of only a handful of small community banks in their respective markets. I am concerned that the FDIC may, in the future, apply this climate-related financial risk management to community banks. This would adversely affect our institution in that compliance with a climate-related financial risk management framework would be expensive and would unnecessarily duplicate current risk management practices. Unlike large banks, community banks do not pose systemic risk to the financial system and should not ever be subject to a "one-size-fits-all" climate-related financial risk management framework designed for large, complex institutions. I would like to thank FDIC for the opportunity to submit comments on the proposed framework. I also thank the FDIC for limiting its proposal to banks with more than $100 billion in assets and I encourage the FDIC to conduct outreach with community bankers to better understand why this proposal should never apply to community banks.

Mr. Jim Bange

CEO Barwick Banking Company

Barwick, GA

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am sending this correspondence in response to the FDIC's request for on its statement of principles of climate-related financial risk management for large financial institutions. I am the President and CEO of First Option Bank located in communities surrounding the Kansas City Metro in Kansas and Missouri. Most of our banks are in communities of less than 6000 people. We are a $600 Million community bank providing home loans, small business and commercial loans, consumer loans and agriculture loans. In several of the communities we are the most active lender remaining with a full service bank. After reading what you have proposed, I am concerned that the FDIC may, in the future, apply this climate-risk management to banks like ours, a small community bank. This proposed framework would negatively impact my communities. Community Banks with any exposure to agriculture have always been impacted by climate-related risks. We've always accounted for those issues. Community Banks do not pose a systemic risk to the financial system and a 'one size fits all' framework that is designed for large complex institutions that do not know their clients well, or who do not live in the areas where climate impacts occur regularly, could seriously affect our institution and the communities we serve. Dealing with the costs and complexity of compliance as it currently is, and add something of this magnitude, and I feel the expense would be insurmountable and unnecessarily duplicate our current risk management practices. Weather has always played a role in our current practices when assessing loan loss provisions and credit management. Living in Kansas, severe weather has always played a part in our daily lives. Bankers in Kansas have always rallied to support their communities when tornados or other severe weather incidents occur. With the adoption of CECL, we're already assessing risks such as climate with the booking of each loan. This proposed regulation would create additional response and costs to what we're already doing. I personally thank you for limiting the proposal currently to banks over the $100 billion in asset threshold and I strongly encourage the FDIC to conduct outreach with community bankers to understand why this proposal should never trickle down to community banks.

Blake A. Heid

Paola, KS

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I appreciate the FDIC's concern about protecting the environment. The climate change issues have to be addressed by everyone. There are so many better ways to help address climate change than adding more regulatory burden on banks. All industries and constituents must come together and find common ground to combat climate change. Placing additional burdens on banks will only hurt the banks that help keep our economy moving. The risk management practices that banks have in place to help mitigate the impact of natural disasters have already existed for 20 plus years. I hope that you and your team will not apply additional regulatory burden on banks concerning climate change.

Thank You!

Bob Cerkovnik

Casper, WY

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing this letter in reference to the FDIC's request for comment on its statement of principles for climate-related risk management for large financial institutions. I am a 5th generation community banker with my family founding BOM Bank in 1903 in Montgomery La. Since our humble beginnings in a very poor, rural community of 800 people, our bank has been fortunate enough to grow to 17 locations with over 700 million in total assets. BOM Bank is a Certified Development Financial Institution (CDFI) with 15 of our 17 locations located in Persistent Poverty Counties. We operate 15 locations in North and Central La and 2 locations in Deep East Texas. We are proud to have broken ground on our 18th location and this location will be in Pineville La in Rapides Parish, which is also a Persistent Poverty County. Throughout the years of growth, we have never lost touch with who and what has made us the success we are, that being the citizens of our communities. I am very concerned that the FDIC will at some point in the future impose the same climate-related policies on community banks. Over my 28 years at BOM Bank, it always seems regulations that are imposed on the largest financial institutions invariably end up being imposed on community banks at some point. BOM Bank has been in business for 119 years and during this time-period; we have not only survived but also thrived thru hurricanes, depressions, recessions, Covid-19, bank-runs, mortgage meltdown and everything else that has happened over the past century. We know how to underwrite loans and continue to help our communities thrive. During the Covid-19 Pandemic, BOM Bank participated in the Paycheck Protection Program and provided much needed capital in the amount of approximately 165 million to approximately 2000 small businesses. We provided loan deferrals, waived NSF fees, donated money to food banks, bought food for bank staff bank-wide from local independently owned restaurants, partnered and volunteered hundreds of hours with our local hospitals where Covid-19 shots were provided. These are just a small amount of what we did during Covid-19 and shows that even during the worst pandemic in our nations history, we still showed up to work, took care of our customers, non-customers and the community as a whole. I hope and pray the FDIC only imposes these climate-related risk management policies to banks with more than 100 billion in assets. I thank you very much for your time and I apologize for the length of this letter. However, I hope this letter shows I have a love & passion for my communities, customers and the community banking industry.

With Kindest Regards,

Ken Hale President/CEO
BOM Bank Ken Hale
Natchitoches, LA

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am sending this correspondence in response to the FDIC's request for on its statement of principles of climate-related financial risk management for large financial institutions. I am the Community President for the Paola, KS Region of First Option Bank located in communities surrounding the Kansas City Metro in Kansas and Missouri. Most of our banks are in communities of less than 6000 people. We are a $600 Million community bank providing home loans, small business and commercial loans, consumer loans and agriculture loans. In several of the communities we are the most active lender remaining with a full service bank. After reading what you have proposed, I am concerned that the FDIC may, in the future, apply this climate-risk management to banks like ours, a small community bank. This proposed framework would negatively impact my communities. Community Banks with any exposure to agriculture have always been impacted by climate-related risks. We've always accounted for those issues. Community Banks do not pose a systemic risk to the financial system and a 'one size fits all' framework that is designed for large complex institutions that do not know their clients well, or who do not live in the areas where climate impacts occur regularly, could seriously affect our institution and the communities we serve. Dealing with the costs and complexity of compliance as it currently is, and add something of this magnitude, and I feel the expense would be insurmountable and unnecessarily duplicate our current risk management practices. Weather has always played a role in our current practices when assessing loan loss provisions and credit management. Living in Kansas, severe weather has always played a part in our daily lives. Bankers in Kansas have always rallied to support their communities when tornados or other severe weather incidents occur. With the adoption of CECL, we're already assessing risks such as climate, with the booking of each loan. This proposed regulation would create additional response and costs to what we're already doing. I personally thank you for limiting the proposal currently to banks over the $100 billion in asset threshold and I strongly encourage the FDIC to conduct outreach with community bankers to understand why this proposal should never trickle down to community banks.

Cami Akes

Parker, KS

Mr. James P. Sheesley, Assistant Executive Secretary

Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

FDIC Requested Comment Climate-Related Financial Risk I am Rick Holder, former President and CEO and presently Chairman and CFO of Cattlemens Bank. We are an AG bank in Oklahoma and Texas. We have total assets of 450 million and a large ag and agribusiness loan portfolio. My concern is this rule will eventually affect ag banks of my size. Our bank was established in 1910. We have dealt with adverse climate affects our whole existence. Just in my forty-year career we have experienced five severe droughts, several floods and extreme heat. All of these events have had effects on the profitability of our bank. The Ag banks that are still in business could teach the class on "climate related financial risk" mitigation. We don't need another rule to follow while we do our job of mitigating weather risk to our bank. I would like to thank the FDIC for allowing community banks to comment on this new rule and not applying it to community banks.

Sincerely,

Rick Holder

Chairman/CFO Cattlemens Bank

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am sending this correspondence in response to the FDIC's request for on its statement of principles of climate-related financial risk management for large financial institutions. I am a Community President of First Option Bank located in communities surrounding the Kansas City Metro in Kansas and Missouri. Most of our banks are in communities of less than 6000 people. We are a $600 Million community bank providing home loans, small business and commercial loans, consumer loans and agriculture loans. In several of the communities we are the most active lender remaining with a full service bank. After reading what you have proposed, I am concerned that the FDIC may, in the future, apply this climate-risk management to banks like ours, a small community bank. This proposed framework would negatively impact my communities. Community Banks with any exposure to agriculture have always been impacted by climate-related risks. We've always accounted for those issues. Community Banks do not pose a systemic risk to the financial system and a 'one size fits all' framework that is designed for large complex institutions that do not know their clients well, or who do not live in the areas where climate impacts occur regularly, could seriously affect our institution and the communities we serve. Dealing with the costs and complexity of compliance as it currently is, and add something of this magnitude, and I feel the expense would be insurmountable and unnecessarily duplicate our current risk management practices. Weather has always played a role in our current practices when assessing loan loss provisions and credit management. Living in Kansas or Missouri, severe weather has always played a part in our daily lives. Bankers in the Midwest have always rallied to support their communities when tornados or other severe weather incidents occur. With the adoption of CECL, we're already assessing risks such as climate, with the booking of each loan. This proposed regulation would create additional response and costs to what we're already doing. I personally thank you for limiting the proposal currently to banks over the $100 billion in asset threshold and I strongly encourage the FDIC to conduct outreach with community bankers to understand why this proposal should never trickle down to community banks.

Chad Lewis

First Option Bank Community President

Spring Hill, KS

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. As an industry advocate and long time community banker and shareholder, I see numerous flaws in the proposals related to the financial risks related to certain industries purportedly creating undue damage to our climate. We all have a vested interest in a clean and safe environment. And, we mostly agree that the climate is changing as it has since the earth was formed. Where we deviate from each other is the impact mankind is making in the climate, which is an argument for the public forum, not within the financial regulation of banking institutions. If the public majority feels certain industries should be restrained, then by majority rule, legislation and regulations should be focused direct on the industries. Trying to curtail these industries through financial regulation imparts more political will than public opinion. Banks, especially community banks, do a great job of factoring in all known risks when evaluating the merits of a transaction. Property insurance, including extended coverages, are almost always required. And all sources of repayment are stressed to include risks related to issues such as weather events. Bankers are trained to manage and mitigate risks, including climate related, which is all under the safety and soundness reviews. Adding additional regulation for climate related risks create additional layers of burden and will mostly cause the small and under-served markets to suffer the greatest from a restriction of credit access. These entities typically do not have the resources to prove climate related issues (i.e. - carbon footprints, etc.) are addressed. I encourage the FDIC as well as the other prudential financial regulators, to reconsider the climate-related proposals. While currently targeted at the institutions over $100 billion, as with most legislation, the trickle down (or waterfall) will engulf community banks, causing continued consolidation and continued reduction to credit access for most small businesses. Thank you for your consideration of my thoughts.

Chip Lynch

Dallas, TX

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am addressing this short note that the statement of principles for climate-related risk management is going to produce no tangible results, increased costs to the industry and worthless data with which will not reduce carbon at all. Better money and time should be spent on overall approach to being a good corporate citizen and also supporting the communities within our markets. The level of disclosure and the resultant audit and litigation risks severely outweigh any threats.

Christopher Martin

Tinton Falls, NJ

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. We do not fit into that category but are concerned with the trickle-down effect of regulations. I am President of the $450 million asset Citizens Bank of Clovis, Clovis, NM. We are located in East Central New Mexico in a rural farming and ranching community of 38,000. We were chartered in 1916, which has allowed us to serve Clovis and the surrounding area for 106 years. Our Bank survived the 1918 Flu epidemic, the Depreciation and Dust Bowl era of the 30's, World War II, the S & L collapse of the 80's with runaway inflation and a National Prime of 21%, the 2008 Real Estate collapse and the 2020-2022 Corvid Pandemic. Our loan portfolio at March 31, 2022 consisted of 32% Ag with the balance primarily in Commercial loans. Our total capital ratio stands at 18.71%, which is 10.71 % over that ratio for being considered "Well Capitalized". I do not believe a separate risk-management framework for climate-related financial risk is necessary to manage safety and soundness at my bank or any community bank with fewer than $100 billion in assets. Our existing risk management practices are effective and have enabled us to serve our community for 106 years through many uncertain times as enumerated above. Unlike large banks, we do not pose systemic risk to the financial system and should not ever be subject to a "one-size-fits-all" climate-related financial risk management framework designed for large complex institutions. This framework would be expensive to establish and would unnecessarily duplicate current risk management practices that have served us well. Scenario analysis would be expensive to establish, would require specialized third-party expertise, and should not be mandatory for community banks like ours. This scenario would require analysis for transition risks by gathering climate data from our customers. I am not aware of any of our customers who would be sophisticated enough to maintain this type of data. This analysis would require my bank to forecast for remote and speculative risks that would be of little practical utility to the regulator or us. Qualified experts that could perform this analysis are not located in our area. We currently stress test our loan portfolio for financial risk as well as conduct independent audits and independent loan reviews. We continually monitor our local economic conditions and take appropriate actions as dictated. This has served us well for 106 years. Thank you for the opportunity to submit comments on the proposed framework. I appreciate the proposal is only affecting banks of $100 billion in assets, but I am concerned that community banks may be next. I would encourage you to conduct outreach with community bankers to better understand why this proposal should never apply to community banks.

Sincerely,

Kent Carruthers, President Citizens Bank of Clovis Clovis, NM

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing regarding the FDIC's request for comments on its statement of principles for climate-related financial risk management for large financial institutions. I am President and CEO of Claremont Savings Bank, a $500 million mutual bank with offices in western New Hampshire and eastern Vermont. I think the efforts of the FDIC to focus on "climate risk" are inappropriate and beyond its mandate. It will require banks to produce meaningless information that will provide no benefit to the bank or the regulators. We already do a good job of considering risks to our borrowers and the institution. It appears that the goal is not to address risk management but to prod banks not to fund companies in unfavored sectors. In the Northeast, we are dependent of fuel oil for heating most of our homes and gas for heating and electricity. We are already having issues with energy prices as pipeline construction is stalled and too much renewable energy is added to the grid. Continued increases in prices will hurt our consumers, local businesses and the overall economy. This seems to be a political campaign by the FDIC and other federal entities and will be viewed as such by most of the regulated entities. If the administration changes, there would be a reversal. It is not healthy for us to have what should be stable risk management guidance whipsawed back and forth depending on the administration in power. I know this policy change is intended for the larger banks, but their risk is not climate risk. It is the risk of falling out of favor with the regulators. We need those banks to support our energy sector, or we will all suffer. Thank you for the opportunity to comment. It is frustrating to see our regulators take political positions.

Sincerely,

Reginald Greene

Claremont, NH

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large institutions. I have been with Commercial Bank, in St. Louis County, Missouri for 25 years and a state bank examiner for 7 years prior. We are a community bank with about $300 million in assets after 34 years of business. We offer consumer and business products to our areas and the largest volume of our loans are to small business. These loans include lines of credit, equipment lending and real estate loans for their businesses. While climate change is real and a concern, the proposed framework for managing climate-related financial risk management for large banks will negatively impact my community. Not only costs to financial institutions, but also to businesses. We already comply with environmental rules and regulations and the added measures seem to complicate costs associated with becoming greener. Our concern is that it will filter down to community banks and as my 32 years has shown, it eventually gets put upon all banks. Currently, financial institutions already deal with severe weather events in our risk management as well as our reserve for loan losses. We have had testing and preparation for these events for years as well as many of our larger businesses and unfortunately, we have also been thru them. The proposal gets down to what scenarios are being proposed and the analysis of each. The cost and time will be prohibited for a community bank as this type of analysis is performed by Wall Street firms, not bankers who deal with the communities deposits. We would need to hire and implement these will cause the vast majority of smaller to mid-size institutions to sell, because we make money on the margin, not from brokerage/insurance/etc. and there is only so much money we make. Our customers are small and would not be able to gather the information as they are not that sophisticated or staffed. So they would need people to comply and this would force the same thought. They only make so much money and if they can't make money, they will close their business. While it sounds great and climate change should be addressed, the proposed risk management is dangerous to small businesses, including banks, as the compliance costs will cause several to exit. We serve those types of business by a large margin, not the big institutions, and if small business are forced out, so our the small bank. Please keep in mind, these proposals almost always hit small institutions as some point.

Nathan Bartlett

Executive Vice President

Commercial Bank

Saint Louis, MO

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

To Whom it May Concern: I am writing today in response to the FDIC's request for comment regarding its statement of principles for climate-related financial risk management. We feel that it is only a matter of time before this proposed ruling that is designed for institutions over $100 billion in assets will trickle down to smaller community banks. This letter is in response to the FDIC's request for comment on its statement of principles. Shamrock Bank is a $420 million community bank located in Oklahoma. We are 90% owned by our employees via an Employee Stock Ownership Plan. We have locations in very rural, low-income areas in Oklahoma. We are very community minded and understand that the success of our locations in these areas, as well as the community, are reliant on each other. There is very little economic activity in these communities and if they lose the bank or their school, the community effectively dies. As in many cases, proposed rulings by agencies that are intended to affect only the largest banks ends up as issues for small community banks like ours. The proposed framework for managing climate risk will do nothing but add additional costs and burdens to our community bank, leaving fewer resources to invest back into our communities and employees. Banks like ours, especially in Oklahoma and Texas, have dealt with climate crisis for decades. Tornados, floods, ice storms and wildfires have all been annual occurrences. We feel that our response to climate issues has been proven over the last two decades. Furthermore, we have also survived busts in the energy sector since the 1980s. Over the last 2 decades as oil prices have risen and fallen in drastic swings, we have become very astute in evaluating direct and secondary exposure in our loan portfolio. We strongly feel that CECL will also add an additional level of reserves to limit exposure. Lastly, should the requirements for climate-disclosure requirements be pushed on banks like ours it will severely restrict how banks operate in rural areas. What is already a strain to keep these banks open will become impossible as resources are used for meaningless disclosures that serve no purpose for the bank, the climate or the communities we serve. We pray that you understand and evaluate the cost / benefit of this proposed rulemaking. In many cases, with small community banks, there will be no benefit and the cost will be devastating to banks and communities.

Respectfully,

Curtis Armor

Sr Vice President / Director

Shamrock Bank, NA

Coalgate, Oklahoma

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am submitting this letter to you at the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. As President & CEO, I lead and represent a small community bank of $305 million in assets that is located in the Mississippi Delta. We are the only bank that is chartered and domiciled in Cleveland, Mississippi (we're the hometown bank!). We also serve the Grenada and Merigold, Mississippi markets and are the only bank with a branch in Merigold. We are proud to serve in this quite rural area of America. Our focus is only on these communities within Bolivar and Grenada counties. We gladly accept all size loan requests (no loan too small) as well as prioritize the true investment needs of our local communities. While I have read and understand that this proposed regulation is targeting the largest of banks, it is my great concern and fear that FDIC authorities and examiners will eventually bring this regulation down to the smallest of banks such as ours. The affordability of additional manpower, additional technology tools and external specialized consultants will only add to the growing expense of these areas just to support regulatory rules and regulations. As these costs rise, the ability to remain competitive and independent comes into question. Yet it is our greatest desire to be just that as it is so very clear that local community banks best serve small and rural communities as evidenced most recently by our support of the Payroll Protection Program (PPP). Our bank originated almost 800 loans for almost $24 million throughout the 2 years in our local communities with great commitment and efficiency. The point is that regularly adding regulatory requirements and responsibilities reduces our competitiveness and potentially reduces our ability to provide credit to the local citizens and small businesses. Rural America needs local community banks, not minimized branches of large banks. From an actual physical risks management perspective, we are experienced and seasoned in business continuity and disaster recovery. We have managed well and operated through the pandemic, ice storms (loss of utilities) and even experienced a tornado 6 weeks ago within 200 yards of our main office (loss of power and part of property) and yet we quickly adapted and put into place our existing procedures; thus, the need for additional regulation for small banks is not needed. Community bankers are quite often seasoned experts and well versed in how to adapt quickly. In conclusion, I thank you for the opportunity to submit my comments and share my concerns on future unintended consequences and their impact on those banks that best serve rural America.

Respectfully,

Daniel Whalen

Cleveland, MS

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am a board member for a community bank. I believe trying to gauge climate change risk is a fools errand, and a waste of time and money. It will be perceived (correctly) as a way for leftists to deny funding to political unpopular industries like Oil and Gas, Coal, Trucking, Agriculture, mining, Real Estate, etc. It will be totally subjective, and therefore another thing to get sued or fined for. Hurting the banking industry. We operate in an Agricultural and Oil Producing region. This initiative is much more likely to damage our economy than anything climate change does. We make almost no loans longer than 10yrs, except for loans we sell to the FHLB for real -estate. I can't imagine any hyped scenario that presents a risk to us in the next 10 yrs.

Thank you

Dave Rebol

Fort Morgan, CO

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing this letter regarding the FDIC's request for comment on climate related risk-management for larger institutions. I am the Executive Vice President/Chief Commercial Banking Officer for Peoples Savings Bank of Rhineland. We are a $480 million dollar bank with eleven locations, with many located in small rural communities. The proposed framework for managing climate-related financial risk management for large banks will negatively impact my community. As I work with our commercial borrowers, many who are small businesses, it is apparent that increased regulatory burden and costs is making it very difficult to maintain these businesses that are often vital within our small communities. Thank you for the opportunity to let me express my comment on this proposal. Additionally, I strongly encourage you to conduct an outreach to community bankers to fully understand the negative impact this proposal will have on many of our small communities.

Sincerely.

Don P. Meyer

Fallon, MO

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley: I am writing this letter in regard to the FDIC's request for comment on climate related financial risk management. Farmers & Merchants Bank is a $260 million asset community bank with five branches serving suburban and rural markets in Southwest Ohio. As President and CEO of our community bank I appreciate your consideration of concerns with potential new rules that will ultimately impact all FDIC regulated banks. While the current proposals are targeted at banks with over $100 billion in total consolidated assets we all know that the same rules will either trickle down over time or be applied to smaller institutions as "best practices". Banks have always been, and always will be, in the risk management business. While we do not specifically measure each and every type of risk, but we do consider all risk factors before lending to our customers and helping them with their small business and daily needs. While we have not historically used the term "climate risk," it is specifically considered and managed. We require our farmers to carry crop insurance that covers their crops from catastrophic weather-related events. We require any building owner located in flood zone to carry flood insurance. We talk with business owners about their internet technology, backups, and security if applicable to the stability of their company. These are just a few obvious ways that for almost one hundred years we have been around and able to manage and update as needed to mitigate potential climate risk on a daily basis. I can assure you that community banks do not pose systemic risk to the financial system and should not ever be subject to "one-size-fits-all" climate-related financial risk management practices. We have always monitored our loans as a percentage of capital by types and categories. This deliberate monitoring of concentration risk prohibits us from getting into any one industry or type of lending too deep. We maintain less the 15% of capital to any one industry to eliminate the risk of a catastrophic ending to any one industry. This helps manage all types of risk from pandemic to climate risk, or just an overall failure in a certain industry due to supplies or changing times. Having to conduct scenario analysis and additional modeling or monitoring would be yet another regulatory burden to our institution. These proposals would create extra hours spent on each and every loan in our portfolio that would likely also lead to the need for additional staff. There is no doubt that these new proposals will not only be a time burden but also a significant cost burden. The time and staff requirements would be a huge negative impact that would create a cost that would have to be passed along to the consumers. In addition, these scenario analysis and future modeling generally end up creating additional software expense to help try and effectively manage the process. Software always has annual cost in addition to the larger one-time expense of purchasing and implementation. In summary, I strongly urge the FDIC considered what we are already doing to manage and mitigate climate risk. Many banks have been around for over one hundred years and been very effective at managing this risk without the "help" of these new proposals. This needs to be considered given the limited resources available at small institutions and the great burden these reporting requirements would create. - Shon Myers, Miamisburg, OH

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am submitting this letter in response to the FDIC request for comment on the Statement of principles laid out in FIL-13-2022. This statement addresses climate related risks and risk management implication for Large Financial Institutions. I am the President of a one billion dollar community bank in Marion Iowa. We have been serving our community for over 95 years with a strong focus on agricultural and loans within our community to both individuals and businesses. I would like to acknowledge the consideration for limiting this proposal to institution with total assets over $100 billion. While this does restrict the initial proposal I have significant concerns that these standards may be applied to community banks and significantly impact our ability to provide products and services to our customers. The increased assessment would lead to higher costs to customers, restrictions in product offerings to customers and significant negative impact to the economy of the area. We as a bank have an in depth knowledge and understanding of the risks both to our customers and our portfolio as do most community banks. This proposal regardless of the level of application will have a negative impact on our community and others. Thanks for allowing the opportunity to comment on the proposed framework and I would encourage continued outreach and communication with banks at all levels but particularly community banks as these proposals evolve.

Regards,

Gene Neighbor

President and CEO, Farmers State Bank

Farmers State Bank
1240 8th Ave
Marion, IA 52317

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. My name is Terri Barrett. I am the Market President of Financial Security Bank in Kerkhoven, MN, a $137 million community bank located in Swift County, Minnesota. We primarily provide agriculture loans and are the only bank with a physical presence in Kerkhoven, MN. I am concerned that the FDIC may, in the future, apply this climate related financial risk management to community banks. I believe existing risk management practices are effective and have enabled community banks to manage climate-related risk for decades. We recently experienced a severe weather-related event. Due to the strength of the thunderstorms in our area, our bank was without power for 48 hours. Our Disaster Recovery Plan was created for incidents just like this. Our team was successful in following the plan and had services restored for our customers within a few hours using generator power. We persevered through the outage with very little inconvenience and impact to our customers and could have continued if necessary. We have served this community for 138 years and are committed to ensuring we have adequate disaster recovery plans in place. This commitment was proven during our most recent weather-related event. I am also concerned about the costs associated with scenario analysis. Scenario analysis is complex and would require community banks to hire specialized third-party consultants to perform the work. Not only would these specialists be expensive, but it would be difficult to hire qualified experts if we were competing for services with large banks. There are few, if any, individuals located in our community who are qualified to perform this work. Community banks are generally small, relatively non-complex, and have lower risk profiles compared to large banks. Requiring scenario analysis would be of little practical benefit to community banks that are already familiar with their concentration risks and how to manage these risks. Thank you for the opportunity to comment on the proposed framework. Also, thank you for limiting your proposal to banks with more than $100 billion in assets. I encourage you to conduct outreach with community bankers to better understand why this proposal should never apply to community banks.

Sincerely,

Terri Barrett

Market President

Financial Security Bank

Kerkhoven, Minnesota

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing this letter in response to proposals that have been circulating in regard to climate related financial risk management requirements that would be imposed on the banking industry. At this time it's my understanding that this would apply to larger banks but I am worried that it will trickle down to my size institution in the near future. I am President and CEO of a $120 million community bank located in 4 communities in Northwest Iowa. We deal with risk of weather on an almost daily basis and work that into our risk management plans. At the state and local levels we face environmental regulations in every project we do. These new proposals do not apply to community banks in rural America who are already dealing with these matters. Thank you for allowing me to comment on these proposals and I do thank you for them applying to the banks over $100 billion right now. Please don't ever bring them to the smaller size banks who are already doing their job in these fields. It seems regulations like to be imposed on banks who act as law enforcement for these rules. This is a negative service for our customers who will tend to resent them. We want to be positive in our service to customers and we can handle these things easily as we do now with greater efficiency and effectiveness.

Sincerely,

Verlin (Gus) Barker

President/CEO

First Community Bank

Newell, IA 50568

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am sending this correspondence in response to the FDIC's request on its statement of principles of climate-related financial risk management for large financial institutions. I am the Community President of First Option Bank in Louisburg, KS, as well as on our Sr. Management Team that has banks in communities surrounding the Kansas City Metro in Kansas and Missouri. Most of our banks are in communities of less than 6000 people. We are a $600 Million community bank providing home loans, small business and commercial loans, consumer loans and agriculture loans. In several of the communities we are the most active lender remaining with a full service bank. After reading what you have proposed, I am concerned that the FDIC may, in the future, apply this climate-risk management to banks like ours, a small community bank. This proposed framework would negatively impact my communities. Community Banks with any exposure to agriculture have always been impacted by climate-related risks. We've always accounted for those issues. Community Banks do not pose a systemic risk to the financial system and a 'one size fits all' framework that is designed for large complex institutions that do not know their clients well, or who do not live in the areas where climate impacts occur regularly, could seriously affect our institution and the communities we serve. Dealing with the costs and complexity of compliance as it currently is, and add something of this magnitude, and I feel the expense would be insurmountable and unnecessarily duplicate our current risk management practices. Weather has always played a role in our current practices when assessing loan loss provisions and credit management. Living in Kansas, severe weather has always played a part in our daily lives. Bankers in Kansas have always rallied to support their communities when tornados or other severe weather incidents occur. With the adoption of CECL, we're already assessing risks such as climate, with the booking of each loan. This proposed regulation would create additional response and costs to what we're already doing. I personally thank you for limiting the proposal currently to banks over the $100 billion in asset threshold and I strongly encourage the FDIC to conduct outreach with community bankers to understand why this proposal should never trickle down to community banks.

Mark P. Williams

Louisburg, KS

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing this letter in response to your request for comments on the statement of principles on climate-related financial risk management framework. I am President & CEO of Fowler State Bank, Fowler, Indiana ("Bank"). We are a $250 million very rural institution that serves primarily the agriculture industry. I am very concerned the FDIC will apply this framework to all financial institutions at some point in the future, as all Regulation tends to trickle down from large, too big to fail institutions to the small community banks serving communities coast to coast. To manage a successful community bank, numerous risks are considered in everyday operations and strategies are in place to mitigate those risks. Serving the Agriculture industry, Fowler State Bank has been managing climate related risks for decades as it can have a negative impact on grain producers. Having the FDIC micro-manage each particular risk is redundant and frankly insulting to the smaller well run financial institutions that serve smaller communities across the country. This framework appears to be politically motivated and does not serve the primary mission of the FDIC. Thank you for allowing bankers to weigh in on this proposed framework. I respectfully urge the FDIC to limit the proposal to the $100 billion, too big to fail, institutions if it will not step away from the proposal altogether.

Most respectfully,

Steven K. Brunton

President & CEO

Fowler State Bank

Fowler, IN

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

As an independent community bank of $150 Million in a community of 5.500 people, I am genuinely concerned with the already onerous regulations that are crushing small banks. The big banks do not care as much about increased regulations because they have the resources to better manage the burden, while small banks are squeezed out of existence. This leaves less competition for the big banks so they can monopolize the market. Small community banks like Freedom Bank are the core to many small towns and have a very positive impact on the health of their communities. The thought of adding another unnecessary and ineffective regulatory burden related to climate change is absurd. The number of community banks is on a steadily declining death march that is directly related to the crushing impact of over regulation. In the past twenty years, the number of banks has been cut in half. In 2021, there were 4,236 FDIC-insured commercial banks in the United States. The number of such registered banks has been declining since 2000, when there were over 8,300 FDIC-insured banks in the country. Please do not put another nail in the coffin of community banks. I understand the proposal is initially intended for banks over $100 Billion, but as we have seen repeatedly, those regulations eventually cascade down to all banks. Enough is enough, please do not implement another meaningless, irrelevant, ineffective, and burdensome regulation on the financial engine of small town USA!

Sincerely,

Donald Bennett

President of Freedom Bank

Columbia Falls, MT

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. I am the President and CEO of Bank ofGerman American State Bank, a $310 million community bank located in Winnebago and Stephenson Counties, IL. We primarily provide agricultural loans and are the only bank with a physical branch presence in Pecatonica and German Valley, IL. I am concerned that the FDIC may, in the future, apply this climate-related financial risk management to community banks and that the proposed framework for managing climate-related financial risk management for large banks will negatively impact my community. Community banks have decades of experience managing concentration risks and are experts at knowing when and how to reduce their loan concentrations during economic downturns and how to mitigate risks. Community banks' longstanding and tried-and-tested underwriting and insurance practices sufficiently address climate-related financial risks, as evidenced by the absence of community bank failures following weather events. Since the early 19th century, community banks have prepared for, responded to, and survived myriad natural disasters, including catastrophic hurricanes, tornadoes, flooding, droughts, wildfires, and wind events. Community banks, as stewards of their local communities, are best positioned to monitor the overall risk of their geographically limited loan portfolios and investment practices and should not be subject to overly burdensome, duplicative, or unnecessary regulations aimed at controlling climate-related financial risks posed by complex, global, and systemically important institutions. Subjecting community banks to any type of mandatory climate risk regulation, scenario analysis, or enhanced climate-disclosure requirements is not only expensive and unnecessary it will also cause many small businesses that operate within community bank footprints to be "choked off" from the financial system. Thank you for the opportunity to submit comments on the proposed framework and for limiting the proposal to banks with more than $100 billion in assets. I would encourage the FDIC to conduct outreach with community bankers to better understand why this proposal should never apply to true community banks.

Warren Laube

Winnebago, IL

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

May 20, 2022

Dear Mr. Sheesley:

I am submitting this letter in response to the FDIC's request for comment on its statement of principles regarding climate-related financial risk management for large institutions. I am the CEO of Iowa Trust & Savings Bank, a $425 million community bank with branches in Clive, Emmetsburg and Panora. Clive and Panora are in the Des Moines, IA MSA. Emmetsburg is a rural community in north-central Iowa. We primarily provide commercial real estate, agricultural and consumer real estate loans. My concern is the FDIC may, in the future, apply this climate-related financial risk management to community banks. While attending the ICBA Capital Summit in Washington DC earlier in May, Acting Chairman Gruenberg stated during the FDIC presentation that climate-related financial risk management is for large institutions. However, you understand my skepticism when similar statements have been made by regulatory agencies in the past only to 'trickle down' to community banks and have 'one-size fit all'. The following is OCC Acting Comptroller Michael Hsu quote on March 7, 2022: "This means that for midsize and community banks, it will be a number of years before OCC examiners conduct climate risk management examinations," Hsu said. "My suggestion to those bankers has been simple: Use the time wisely. To the extent that midsize and community banks can develop thoughtful, tailored assessments of their climate risk profiles, they will help mitigate the risk of a 'trickle down' of large-bank climate risk management expectations in the future." Iowa Trust & Savings Bank has been a lender to agri-businesses for 93 years. We understand better than most how to manage climate-related risk, and how climate effects the livelihood of our farm customers and the success of Iowa Trust. To add additional climate-related compliance requirements will likely duplicate existing practices and needlessly increase expenses. For example, scenario analysis is a complex, data-driven modeling exercise that would require community banks to hire specialized third-party consultants to perform the work and potentially include forecasting for remote and speculative risks. This would be of little practical utility to community banks that are already familiar with their concentration risks and how to manage these risks. Currently, stress testing is part of the transition to CECL. To expand this process to include gathering climate data from our customers, and hiring qualified experts to perform scenario analysis, would provide little additional value to determine the safety and soundness of Iowa Trust & Savings Bank. Thank you for the opportunity to submit comments on the proposed climate-related financial risk management.

Sincerely,

Kris M. Ausborn

CEO Iowa Trust & Savings Bank

Clive, IA

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. I am the Senior Lending Officer of a $185MM community bank located in SE MN. We are based in Preston, MN and are the only bank with a physical location serving that city. We also have branches in Chatfield and Rochester, MN. Close to half our loan volume is to farmers in rural areas in SE MN and we also serve small business in those areas and in Rochester. I am concerned that the FDIC may, in the future, apply this proposed framework for managing climate-related financial risk management for large banks to community banks which will negatively impact the communities we serve. I believe there should be separate risk policies for community bank $100B or less. Unlike large banks, community banks do not pose systemic risk to the financial system and should not ever be subject to a "one-size-fits-all" climate-related financial risk management framework designed for large, complex institutions. Compliance under the proposed regulations would be expensive (finding and hiring qualified people in this field) and unnecessary (as a community and ag bank we are fully aware of how the environment is affected by our customers and work with them to implement environmentally safe programs to their operations). Thank you for the opportunity to submit comments on the proposed framework and for limiting its proposal to banks with more than $100 billion in assets. I encourage the FDIC to conduct outreach with community bankers to better understand why this proposal should never apply to community banks.

Respectfully,

James Oeltjenbruns

Rochester, MN

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am the Chief Risk Officer at Heartland Bank, a $1.5 billion community bank headquartered in Whitehall, Ohio, and I am writing regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. Heartland bank exemplifies the true meaning of a community bank. Our commercial lending focuses on our communities, lending within niche markets, and helping start-ups get off the ground. We understand that when we lend to businesses in our communities it strengthens our neighborhoods, provides jobs, revitalizes the economy, and results in money going back into those same neighborhoods allowing them to prosper. I am concerned that the proposed framework for managing climate-related financial risk management for large banks will negatively impact the communities we serve. As a community bank, we have a long history of managing risk, including concentration risk and natural disasters, within our lending and investment portfolios. Additional regulation is unnecessary for us to manage our climate related financial risk. Our bank has long-standing and prudent underwriting and insurance practices that sufficiently address climate risk and should not be overly burdened with duplicative and unnecessary regulation that is aimed at larger and more complex institutions. Unlike large banks, we are not a systemic risk to the financial system and should not be subjected to a one size fits all climate related risk management framework. On January 1, 2023, we will be adopting CECL and will already be more concerned about reflecting future risks, including climate related risk, in our loan loss reserve. In addition to the burden a required climate risk management framework would cause for community banks is the concern related to the cost of such requirements like scenario analysis. Scenario analysis is a complex process for which we would have to find a third-party consultant to perform, and which will provide little value for the cost of a consultant as we are already familiar with our concentration risks. It would also be difficult to gather climate data from our customers, and we are already stress testing our loan portfolio. Community banks have long been managing risks across the institution, including climate related risks. We do not need the burden of additional regulation to interfere with the value we provide our communities. Thank you for the opportunity to comment on the statement of principles for climate-related financial risk management for large financial institutions.

Jennifer Eckert

Johnstown, OH

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

The FDIC is proposing that large financial institutions, defined as those with over $100 billion in total consolidated assets, be subject to a climate-related financial risk management framework. To manage climate-related financial risks, the FDIC has proposed a framework that would require large banks to ensure climate-related financial risks are addressed in the bank's (1) governance; (2) policies, procedures and limits; (3) risk management; and (4) data, risk measurement, and reporting. Additionally, the FDIC would require large banks to address climate-related financial risk in the following risk areas: (1) credit risk; (2) liquidity risk; (3) interest rate risk; (4) operational risk; (5) strategic planning; (6) reputational risk; (7) liability or litigation risk. I truly believe these steps are an overreach and are not necessary to manage the safety and soundness of my community bank. In support of this belief I offer the following reasons. * Existing risk management practices have been proven effective and have enabled community banks to manage climate-related risk for decades. * Unlike large banks, community banks do not pose systemic risk to the financial system and should not ever be subject to a "one-size-fits-all" climate-related financial risk management framework designed for large, complex institutions. * Compliance with a climate-related financial risk management framework would be expensive and unnecessarily duplicates current risk management practices. The banking industry by its nature is involved in assessing all types of risks and taking steps to mitigate and monitor risks. These are already incorporated into our multitude of risk assessments and action plans. For example we monitor severe weather events and have well established plans to execute. Example is past years of tornado activity in our area of Missouri. How we have monitored economic factors for our loans which includes climate impact of drought or too much rain, or hail events in our agriculture sector. Further our assessment of our reserve for loan loss account we do review all these factors and run projections on potential impact to the loan portfolio. Therefore, many of these factors sought to be addressed are already being done as normal practice for banking and community banks in particular. The approach of scenario analysis is an expensive exercise that requires specialized third-party expertise, and it should not be mandatory for community banks, given the small size, relative non-complexity and lower risk profile of community banks as compared to large banks. Finally, as part of the proposal it would require financial institutions climate data from our customers. This will be extremely challenging and difficult for the customers of community banks. Many of these customers will not have this information and will refuse to provide such information. Will this lead us to point where banks will not be allowed to provide services to this customer base and serve our mostly rural markets and communities? That is a strong and hopefully unintended consequence of taking such steps and actions.

John Denkler

Farmington, MO

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I'm responding as a Director of a community bank, First Option Bank with locations in several small communities in eastern/northern Kansas. Born on a farm, University degree with major in Agriculture Education, operated a dairy farm, managed farms for Urban folks, kept grain storage records for local elevator when gov't was paying farmers to reduce production - - I think the gov't finally got it right when USDA went to offering crop insurance that can protect both production and price - - farmers can buy this insurance, gov't stands behind extremes caused by weather or market conditions - - Employed by University of Missouri as a County Extension Director; then hired as a banker in 1964 to over-see lending to farmers and agri-businesses - - in 1971 I joined a bank holding company as the contact person for banks being added to the company in rural markets - - in 1982 after 4 years managing a suburban bank I rejoined Commerce Bancshares to over-see the problem agricultural loans as we dealt with weather, prices and 21% Prime interest rates - - Agricultural lenders to grain production farmers need to encourage their borrowers to use the crop insurance program - - I realize there are other facets to agriculture than crop production, but this is where weather is most prominent. Don't know that additional regulations or requirements are necessary as tools are already at hand to support both Customers and Lenders.

K. Konrad Heid

Santa Rosa Beach, FL

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

To Whom It May Concern:

With regards to the FDIC request for comment on it's Statement of Principles for Climate Related Financial Risk Management, I submit the following. I am President and Chief Executive Officer of St Clair county State Bank of Osceola, MO, a $180M bank serving St Clair County State Bank and the surrounding areas. Our main banking facility is located in Osceola, however, we have branch locations in Lowry City, MO and Appleton City, MO as well. All locations are located in rural communities with focus being on residential, agricultural, and commercial markets conducive to this area. Should the FDIC apply Climate Related Financial Risk Management to rural community banks such as this one, the impact to simply comply with these requirements would be oppressive at best. Not only would this impact be felt by our employees, but by the communities to whom we offer customer service. Our customers are our friends, neighbors and acquaintances, and our time is as much as service as the banking products we offer. Thank you for the opportunity to submit comments on behalf of this community bank, as well as other community banks with similar struggles to meet regulation requirements. I encourage you to continue to reach out to community banks for input and the possible effects this would impose.

Sincerely,

Kirk Sibley

President

Osceola, MO

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am the Compliance Officer at Peoples Bank of East TN, a small community bank located in Madisonville, TN. I am submitting this letter in response to the FDIC's request for comment on the statement of principles for climate-related financial risk management. While I understand the climate-related financial risk management framework is targeted at institutions over $100 billion in assets, I'm writing to voice my concerns about the impact of these principles, I fear that they will ultimately trickle down to community banks. Community banks like us are not threatened by climate-related financial risks, we apply risk management practices to manage risks, and we are experienced at serving our local community to help prepare for and recover from severe weather events. I do appreciate the chance to submit comments, community banks are different and I feel that it's important to protect that role we play to the local residence and businesses that we serve. I anticipate other community banks will reach out and share their thoughts and concerns as well. Hopefully this outreach with community bankers will help the FDIC and all regulatory entities understand why this proposal should never apply to community banks.

Lari Scheu

Madisonville, TN

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

The reason I am writing is regarding the FDIC's Request for Comment on its state of principles for climate-related financial risk for Large Financial Institutions. I am the Chief Credit Officer of Legence Bank, a $650million asset bank headquartered in Eldorado IL. We serve 12 communities in Southern Illinois and 1 in Evansville Indiana. As a community bank, we are focused on ensuring the needs of the areas we are in are met. We are also in a heavily agricultural area. Everything I have read and heard, the proposed regulatory changes are targeted on banks with assets exceeding $100billion. But, I have also been advise the FDIC is focused on climate change as a "systemic issue in the banking industry". My first comment is this: additional regulatory scrutiny in the industry will put an undue burden on community banks. We are faced with enough challenges to just find adequate loans with sufficient credit quality to lend to in this rising rate environment. Additionally the "costs for compliance" today are becoming exorbitant. Measuring the potential impacts of climate change on a community bank and its customers goes well beyond the abilities and capabilities of community bankers. For the past 50 years the "experts" have been predicting and analyzing climate change with the question of "to what avail"? The predictions these experts made have failed to come to fruition as predicted. How, then, are bankers able to assess changes? We do not employ meteorologists on our staff, nor can we afford to. We need to focus our efforts on what we do every day: serve the needs of our communities and our customers in them. Personally, I think the effort to have any bank, regardless of size, to measure this climate-related impact goes too far. But for banks that are MUCH smaller it poses an undue hardship. I look at Legence Bank for a moment. We have a large agriculture portfolio. We work with customers across several counties. We bank large operations that farm 6,000 acres and some that farm 600. We discuss crop insurance coverage; we analyze secondary repayment sources; we make sure we have hazard insurance in place on structures (and we have purchased blanket insurance for smaller loans); we know our customers. Our lenders attend seminars and learn from experts on not only the local agriculture economy, but national and international. We understand that weather patterns change. Some years are normal; some are dry; some are wet. We discuss marketing opportunities with our farm customers. We are diverse too. We don't lend internationally. We work with our farm customers to utilize FSA guaranty programs as appropriate to mitigate risks. In short, we do not pose a risk to the Banking industry. We are family-owned for the majority. We are seeking to be a part of our communities for the long-haul. However, forcing added burdens only seeks to lessen that option. I implore the FDIC to reconsider its efforts and, if this change must be implemented, wholly exempt banks that are like us.

Mr. Alan Jones
Evansville, IN

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. I realize this is an important topic for the agency and I appreciate the opportunity to provide commentary on our bank's position. I serve as President and Chief Operating Officer of Legends Bank, headquartered in Clarksville, TN. We are a $780 million Community Bank founded in 1998, currently serving Montgomery, Cheatham and Davidson Counties. We are home to Fort Campbell and the renowned 101st Airborne Division. Our bank serves the needs of small businesses and home builders in our community. As the only locally owned institution in Montgomery County, we are very involved in the community and a close relationship with our local government. I am concerned that the FDIC may, in the future, apply this climate-related financial risk management to community banks such as ours. While I can certainly understand the agency's reasoning for engaging with the country's largest banks, Legends Bank serves a very close knit geographic market. We are intimately familiar with our borrowers and the risks they encounter. In our 24 year history, we have survived an F-5 tornado that tore through our downtown in January of 1999 and a historic flood that affected both Clarksville and Nashville in 2010. Our Bank was able to affectively navigate these natural disasters without undue risks to our balance sheet. The local nature of our business model is what protects us. Compliance with a climate-related financial risk management framework would be expensive and would unnecessarily duplicate current risk management practices. Our Bank currently performs a robust quarterly analysis of our commercial real estate portfolio including stress testing for individual loans plus portfolio segments. I would respectfully submit that Community Banks should be excluded from such requirements now and in the future.

Sincerely,

Thomas Bates

Clarksville, TN

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley: I am writing regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions, I am the Compliance Officer of Central State Bank, a $500 million community bank located in Calera, AL. I am concerned that the FDIC may, in the future, apply this climate-related financial risk management to community banks - which would negatively impact my Bank and its ability to service its customers. In my opinion - Community Bankers already do a great job of maintaining safety and soundness by proper underwriting of loans. Additional Regulatory burden on Banks of our size would do nothing but absorb already limited resources that should be focused on serving our customers. I would like to thank the FDIC for the opportunity to submit comments on the proposed framework as well as limiting the proposal to banks with more than $100 billion in assets. I encourage the FDIC to conduct outreach with community bankers to better understand why this proposal should never apply to community banks.

Matt Meynardie

Calera, AL

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing this comment letter regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large institutions. New Market Bank is a small community bank with assets of approximately $190MM (prior to the pandemic we were only approximately $125MM in assets). We have three locations in Elko New Market, Lakeville and Prior Lake which are suburbs of the southern Minneapolis/St. Paul, MN metro area. We have 40 people on our team in total which includes everyone from tellers at all our locations to me who is CEO, President and CFO of our small organization. Most of the loans we make are to small businesses that help to either finance larger purchases such as buildings or equipment to smaller operating lines of credit. We also have a 2nd market mortgage department which consists of 7 of those 40 team members. The main reason that I am submitting a comment letter is because I am concerned the FDIC may in the future apply this climate-related financial risk management framework to community banks. Community banks do not pose a systemic risk to the financial system and already work hard to implement risk management practices that are effective to managing the safety and soundness of our institutions. These risk management practices already have considerations for potential climate-related risks woven into the program. For example, the recent adoption of CECL requires banks to have a forward-looking approach to risks on the economy through use of qualitative factors. Along with CECL, community banks also have implemented stress testing on their loan portfolio to understand how various stress levels would affect the level of reserves the bank would need to survive. The most concerning part of the proposal however is the scenario analysis exercise. The idea that a community bank may have to eventually complete a scenario analysis that explores the impacts of climate-related risk on our strategy and business model as well as identify and measure vulnerability to relevant climate-related risk factors including physical and transition risk is overwhelming to say the least. This analysis would no doubt force us to hire a 3rd party as we would not have the expertise on our team to complete the exercise internally. It appears that in order to complete such a scenario analysis, we would also need to gather climate data from our customers which could be nearly impossible as small businesses do not maintain this data and would also have an objection to starting to collect it and then having to disclose it to us. Finally, the results of the analysis would most likely not have any practical use for us as the likelihood of these climate-related risks are remote and the impact is minimal. This exercise would just place another expense burden on community banks which in turn decreases earnings and makes it harder to compete against other larger financial institutions. In conclusion, I sincerely hope the information provided in this comment letter helps you to understand the challenges smaller community banks would face in complying with a climate-related risk management program. The cost of implementing such a program would be significant to a smaller institution with no real identifiable benefit. I appreciate the opportunity to share my comments and concerns. If there is any additional information that I could provide that would help you understand the impact this potential rule could have on a community bank, I am happy to be a resource.

Thank you,

Anita Drentlaw

CEO/President/CFO

Prior Lake, MN

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing to you regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. I am the President and CEO of North Central Bank, a $150 million dollar community bank with corporate headquarters located in Hennepin, IL. We have two locations (Hennepin and Ladd) and they are both in very rural settings in communities with populations of less than 1,200 residents each. We primarily provide agricultural loans and residential real estate loans. We are the only banks within our communities with a physical location. At this time, I am very concerned that the FDIC may, in the future, apply this climate-related financial risk management to community banks. I further fear that this type of risk-management could negatively impact my communities and apply additional undue burden on our small bank. I believe that a separate risk-management framework for climate-related financial risk is unnecessary to manage safety and soundness at our bank or any community bank with fewer than $100 billion in assets. Our bank has serviced the local communities for over 75 years and the existing risk management practices are effective and have enabled us and other community banks to manage climate-related risk for decades. Unlike large banks, small community banks do not pose systemic risk to the financial system and should not ever be subject to a "one-size-fits-all" climate-related financial risk management framework that is designed for institutions that are large and complex. In our rural community bank setting, we have managed to retain extremely talented employees that adequately manage our risk profile. Compliance with a climate-related financial risk management framework would be expensive and would unnecessarily duplicate many of our current risk management practices. We believe that climate-related financial risks do not threaten the safety and soundness of our community bank. We have two locations, over 18 miles apart, utilizing different communication/data systems, along with having our entire network on the cloud. All of our senior management, lenders and operations staff are able to work from home and VPN into our secure system should a climate-related disaster/event occur. Numerous table-top testing events are held throughout the year and many weather related events are considered. We have identified locations that can be utilized should our community bank need to be temporarily closed for repair, thus allowing us to service all of our customers in a timely and safe environment. Also, with the adoption of CECL, we will continue to take into account all future risks, such as the risk that the climate will change and adjustments to our risk factors and loan loss reserves will be continually reviewed/updated. Additionally, any scenario analysis for a small community bank, like mine, would be an expensive exercise that would require specialized third-party expertise. The scenario analysis is a complex, data-driven modeling exercise that would require a community bank to forecast for remote and speculative risks and provide little to no practical utility to community banks that are already familiar with their concentration risks and how to appropriately manage them. In conclusion, I would like to thank you for your time and the FDIC for the opportunity to submit comments on the proposed framework. I would like to also thank the FDIC for limiting its proposal to banks with more than $100 billion in assets and continue to encourage the FDIC to conduct additional outreach to community bankers to better understand why this proposal should never apply to community banks.

Kim McKee

Hennepin, IL

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

My name is Randy Whitehead, President and CEO of PeoplesTrust Bank in Hamilton, Alabama. I am writing to provide comments regarding the FDIC's statement of principles for climate-related financial risk management for large financial institutions. I suspect that should these proposed requirements be placed upon larger institutions it will only be a matter of time before smaller institutions will have similar requirements. I submit to you that the risk of ever-increasing regulation and the related expense, creates a much greater risk to rural community banks than does climate change risk. As you know the tremendous expense involved in complying with this regulation would be a huge burden on small community banks. The banks which are the financial lifeblood of rural towns and communities are either being consolidated into larger institutions or are closing branches in small towns partially due to the ever-increasing cost of regulation, leaving the people of these communities with the only option of driving many miles to participate in the banking system. Our small City of Hamilton, Alabama has a branch of a major nationwide banking institution. While that institution is pleased to operate here and offer a myriad of checking accounts which provide that institution with low-cost deposits to be utilized around the country, local individuals and small businesses find it difficult to obtain loans at that institution. My point, obviously, is that without small, local community banks, people in rural communities are going to be greatly harmed and unable to participate in the financial system. Climate change is ultimately "weather" which fluctuates and cycles over time within a fairly narrow range. As high school students in the 1970's we observed that the climate scientists of the time were predicting that the earth was entering into the next "ice age". How wise would it have been to commit millions and billions of dollars over the course of the past 50 years preparing for the risk associated with another ice age? We operate a branch in Hackleburg, Alabama, a small town that was almost totally destroyed in the tornado outbreak of April 27, 2011. We were able to work with our customers in the aftermath of that disaster and in the years since the tornado the town has become better and stronger. Having witnessed the devastation personally, I can attest that no amount of risk management would have reduced the damage done by the F-5 tornado that day. In addition, many of our customers, operated heavy equipment (fueled by diesel and gasoline) to clear the debris from the destruction and help residents get on with their lives. While I am pleased that this proposal is currently limited to banks of $100 billion or more in total assets, I also know that many times, limited application regulations are ultimately applied to all banking institutions. I respectfully request that the FDIC refrain from implementing climate related risk management requirements that will ultimately do serious financial damage to the residents of the rural communities we serve.

Sincerely,

Randy Whitehead

President and CEO

Cc: Alabama Senator Richard Shelby Alabama Senator Tommy Tuberville Alabama House of Representatives Member Robert Aderholt Mr. Randy Whitehead Hamilton, AL

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

PriorityOne Bank is a CDFI certified Community Bank with just over $900 million in assets, headquartered in Magee, Mississippi, primarily serving the needs of small communities along the Highway 49 corridor with branches as far south as Hattiesburg, MS and as far north as Ridgeland, Mississippi. PriorityOne Bank submits this letter to the FDIC in response to the FDIC's request for comments on its statement of principles for climate-related financial risk management for large financial institutions. Specifically, PriorityOne Bank is concerned that the FDIC may, in the future, apply this climate-related financial risk management to community banks, which is unnecessary to manage safety and soundness at any community bank with fewer than $100 billion in assets. The primary concerns affecting PriorityOne Bank are the FDIC's proposed framework that would require large banks to address climate-related financial risk in its credit risk, liquidity risk, interest rate risk, operational risk, strategic planning, reputational risk and liability or litigation risk along with the requirement to perform scenario analysis. A separate risk management framework for climate-related financial risk is unnecessary to manage the safety and soundness at a Bank with just over $900 million in assets. The Bank's current existing risk management practices are effective and have enabled community banks to manage climate-related risk for decades. Unlike large banks, community banks do not pose systematic risk to the financial system and should not ever be subject to a "one-size-fits-all" climate-related financial risk management framework designed for large, complex institutions. Compliance with a climate-related financial risk management framework would be expensive and would unnecessarily duplicate current risk management practices the Bank already has is place through Disaster Recovery, which was shown to be effective through past climate events such as Hurricane Katrina or various disastrous tornadoes the Bank has faced through the years. With regard to financial stress caused by transition risk, the Bank's Disaster Recovery plan saw it through COVID and its aftermath, again stressing the unnecessary burden of duplicate risk management. Further, with the adoption of CECL, PriorityOne Bank will need to be even more concerned about reflecting future risks, such as the risk that the climate will change, in loan loss reserves. The costs of the proposal, especially regarding scenario analysis will be unnecessarily burdensome. Mandated scenario analysis is problematic as it is an expensive exercise that requires specialized third-party expertise, and it should not be mandatory for community banks, given the small size, relative non-complexity and lower risk profile of community banks as compared to large banks. PriorityOne Bank already implements stress testing its loan portfolio as part of transitioning to CECL which eliminates the need for performing scenario analysis. Further, in order to conduct scenario analysis for transition risks, community banks would need to gather climate data (such as greenhouse gas emissions data) from their customers, many of which do not maintain this data and would object to gathering and disclosing this data, which is overly burdensome Further, scenario analysis would require community banks to forecast for remote and speculative risks and be of little practical utility to community banks that are already familiar with their concentration risks and how to manage these risk. The Bank would face many difficulties in hiring qualified experts to perform scenario analysis, particularly if forced to compete with large banks to secure these services, as there are few individuals located in PriorityOne Bank's community who are currently qualified to perform this work. In summation, the proposed Climate-Related Financial Risk Management Framework and the implementation of scenario analysis to explore the impact of climate-related risk on PriorityOne Bank's strategy and business model to identity and measure vulnerability to relevant climate related risk factors including physical and transition risks, is unnecessarily burdensome for an institution with just over $900 million in assets. PriorityOne Bank thanks the FDIC for the opportunity to submit comments on the proposed framework and further thanks the FDIC for limiting its proposal to banks with more than $100 billion in assets and would encourage the FDIC to conduct outreach with community Bankers to better understand why this proposal should not apply to community banks. Thank you for your time and consideration.

Sincerely,

Robert J. Barnes

President & CEO

PriorityOne Bank

Magee, MS

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

My name is Sarah Getzlaff. I am the CEO of Security First Bank of North Dakota, a $240 million community bank in central North Dakota. I am a 3rd generation community banker following in the footsteps of my father and grandfather. I grew up watching my dad support our community by donating his time to economic development boards, making financial donations to community causes and by meeting with customers whenever and wherever they needed him. I clearly remember him leaving our house late one night to lend a customer cash out of his own wallet for a medical emergency after the customer called in a panic. Stories like this were a constant part of my childhood and a tradition I am honored to continue. Stories like this happen daily at community banks across the nation. Stories like this need to continue, as they help small communities survive. Security First Bank has five locations in North Dakota, mostly in rural areas, and is very representative of a typical community bank. We opened our doors in 1925. For the first seventy-five years, we operated solely in three communities with less than 1,000 residents each, all of which have been faced with shrinking populations and struggling Main Streets. In the early 2000's, we opened two additional locations in "big cities," which have a combined population of less than 100,000 residents. I am writing to you today, as a community banker, regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. While my family's bank is clearly not a large financial institution, I am incredibly concerned that the requirement for climate-related financial risk management will trickle down to community banks like mine. Recent statements made by the FDIC that "all financial institutions should prepare for how you will manage climate related activities in the future" have only intensified my concern. Community banks like mine are incredibly important in small communities; yet they are continuously being gobbled up by larger banks as regulations snuff out their ability to remain independent. While I understand the need for regulation and the reason for many of our existing regulations, I also believe that community banks are vastly different than large banks and need to be regulated with significant regard given to these differences. I further believe the benefits of regulations need to outweigh their costs - both financial and non - and that these benefits and costs will be much different in a community bank than in a large bank. The "scenario analysis" in the FDIC's proposal would require specialized third-party expertise, something we will have to seek out and pay for and then try to interpret, test and apply to our portfolios. While the cost of this service, along with training our staff and possibly needing to hire additional staff to help with the regulatory burden, is unknown, I do know that these costs will drive up the borrowing costs for small businesses and farmers. Further, the customers we serve will not have the resources to gather meaningful climate-related information for us to use. Now, if there was a measurable benefit to this additional regulation, it's possible the costs could be justified. The truth is - there is no additional benefit from or need for this additional regulation. Community banks like mine have a long history of evaluating the risk of our balance sheets and already have mechanisms in place with existing regulatory frameworks to monitor and manage portfolio related risks. Further, our community bank does not pose a systemic risk to the financial system like the "too big to fail" banks. I am very concerned this added regulation could ultimately choke off credit to legal and creditworthy borrowers and also cause more small community banks like mine to sell off, further consolidating the industry. I am respectfully requesting the FDIC refrain from implementing any climate related risk management framework at the community bank level. Our family's bank has been a huge supporter of local farms and businesses and they have supported us in return. We need this legacy to continue - not just for my families sake, but because in small communities, we all know if we support one another, there is a greater chance our communities will survive, our businesses will thrive and our schools will remain open and independent.

Sincerely,

Sarah M. Getzlaff

CEO Mandan, ND

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am submitting this letter in response to the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. Shelby County State Bank has served the communities of Shelby County in the heart of Illinois for over 125 years. This county is considered a rural, underserved area. In fact, we are only one of three banking facilities in Shelbyville and The Only banking facility in two of the five small towns where our branches are located. We primarily provide agricultural loans, but also supply funds for consumers, small businesses, and homeowners from the local deposits we are entrusted with. As CFO and Compliance Officer, I am concerned that the FDIC may, in the future, apply this climate-related financial risk management to community banks. Existing risk management practices are effective and have enabled our community bank to manage climate-related risk for decades. Compliance with climate-related financial risk management would be expensive and unnecessarily duplicate current risk management practices involved with our business continuity initiatives. As evidenced by our bank's outstanding safety and soundness examination results, we proactively plan for physical and financial climate-related risks to our bank and to the individuals that we serve. As a community bank, we are focused on the individual. We do not lump all customers together as a faceless group with a one-size fits all mentality. Because of our small size, we can work side-by-side and provide individualized attention to a customer's specific needs. Regulatory overkill takes valuable staff resources away from the time we require to focus on serving the individual. Thank you for the opportunity to submit comments on the proposed framework and for originally limiting the proposal to banks with more than $100 billion in assets. Any outreach by the FDIC to better understand why this proposal should never apply to community banks will be welcome.

Sincerely,

Jodie M. Ogle

Chief Financial & Compliance Officer

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

We are a 100 million dollar mutual Community Bank located in Philadelphia that has been dealing with a whole gamut of risks for over 100 years. The bank is and has been in the risk business for many years and does not need any more guidance (compliance overhead) in this area. Ever time more guidance is placed on banks our size it just furthers the decline of the community bank at the cost of inner city neighborhoods. My concern is that once this risk framework is placed on large banks it filters down to banks our size.

Sidney Smith

Philadelphia, PA

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. I am the CEO of Somerset Savings Bank in Bound Brook, NJ, a $680 million mutual bank with 7 branch locations. We are primarily a 1-4 family home mortgage lender. I am very concerned that the FDIC may, in the future, apply this climate-related financial risk management to community banks.

William Taylor

Bound Brook, NJ

Mr. James P. Sheesley
Assistant Executive Secretary
Attention: Comments—RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I represent Springs Valley Bank & Trust Company, a six-location, 110 FTE, $508M community bank located in rural Southwest Indiana. We are a state-chartered commercial bank, and our primary Federal Regulator is the FDIC. Our business model is built around rural county seat markets as that is where we compete the best and can be most impactful. Our $395M loan portfolio is approximately 24% agriculture, 50% small business, and 26% consumer household. While we fully understand that the current statement of principles would not apply to Springs Valley Bank & Trust, we are commenting because the FDIC has indicated this is the first iteration of guidelines that may ultimately apply to all FDIC insured banks. We appreciate the opportunity to make our voice heard by providing relevant comments.

For your context, we are deeply committed to prudent small business lending and meeting the credit and other banking needs in our generally small, rural communities. We have several concerns about the proposed rule that could negatively impact our bank and the communities we serve. We do a considerable amount of small business and agricultural lending to include business acquisition, operating lines of credit, equipment financing, and long-term real estate mortgages. In an average year, Springs Valley generates 300-400 small business loans (using the CRA definition of $1M or less GAR).

- In 2019 we originated 369 commercial loans with average gross revenue of $1,559,779.
- In 2020 we originated 825 commercial loans with average gross revenue of $1,579,074.
- In 2021 we originated 838 commercial loans with average gross revenue of $1,394,037.

In 2020 and 2021, we generated $21,738,003 (414) of PPP loans in Round 1 and $12,271,906 (408) of PPP loans in Round 2. While PPP loans generated in 2020 and 2021 certainly drove up originations in aggregate to about double the norm, GAR exceeded $1M on average in each of the three years and remained remarkably consistent in the $1.5M range.

We believe that climate-related financial risk is already incorporated into our strategic and risk management framework. We base our business decisions on current and historical market data, which provides information on the risk of a transaction. Accordingly, climate related financial risks are inherently embedded into the risk identification and management process.

Springs Valley Bank manages and maintains over 50 policies bank-wide. We conduct over a half-dozen additional annual risk assessments and plans. Many of these policies have climate-related components (e.g. our Lending Policy addresses monitoring loan concentrations, requiring flood insurance, monitoring fire and windstorm insurance coverage, conducting environmental assessments, etc.).

Given our location in the heart of the Midwest, more specifically within the Ohio River Valley between St. Louis and Cincinnati, we are particularly susceptible to high humidity and near triple-digit summer temperatures. Those conditions can result in tornadoes, seasonal flooding, occasional hailstorms, and accompanying wind damage to crops, homes, and other structures. All geographies across this country have unique properties and characteristics that may present localized challenges as out-of-state examiners attempt to quantify and provide meaningful oversight for climate-related risks.

The SEC climate disclosure takes the climate-risk conversation in an entirely more troubling direction. Centered around the concept of "financed emissions," largely defined as calculating and reducing carbon emissions across a bank's loan portfolio, this extreme approach would have negative far-reaching borrower impact and pit some industry-specific investor economic interests against those of climate advocates. Commercial borrowers would be required to create elaborate estimates of up and downstream emissions. They would incur significant costs, hiring accredited experts to produce the required reports and disclosures. Financial reporting standards would require low materiality footnotes. FIs would likely play a record keeping role and run the risk of being put in an untenable role between regulators and borrowers.

In response to all this attention being directed to climate concerns, we would make the case for flexible supervisory expectations, allowing for significant modification as events occur, as the practice of climate risk identification develops, and the risks become more clearly defined. Regulation based on assumptions and data behind today's definitions and understanding of climate related financial risk would be premature. A high-level approach that allows banks to assess their risk based on unique circumstances would seem the most prudent. We would be proponents of safe harbor provisions and a generous time-frame implementation for all size banks, but in particular for mid-sized and small FIs, should climate-related risk measures currently being crafted for large FIs trickle down to smaller.

We appreciate the FDIC's recognition that these principles would impose significant burdens if applied to smaller banks. If the FDIC ultimately determines that climate-related guidance is necessary for all FDIC insured banks, the guidance should not be extended to mid-sized and smaller FIs until climate risk is better quantified and understood and should be tailored to avoid unnecessary operational burdens. If that day does arrive, we would be proponents of safe harbor considerations and a generous time frame implementation period.

FIs are critical economic engines of commerce across the United States and provide households, companies, or communities the necessary financing to thrive. It is important that the FDIC be cognizant of and take adequate actions to avoid, the unintended consequences of economic disruption. We would strongly caution prudential regulators against imposing overly prescriptive regulatory requirements on climate-related risks. Doing so at this time, particularly with respect to transition risks, could shape bank business decisions for reasons of acquiescence, rather than out of pure safety and soundness concerns. Banks and banking services are as a rule, sparser in our markets in rural Southern Indiana. There are already many very small rural communities that have suffered the closing of their bank due to the larger bank franchises paring down their branch networks in lower volume communities to trim overhead expense. If we were subject to stifling climate-related credit limits it would be devastating.

Thank you for your consideration of our comments around climate-related financial risk.

Sincerely,

Jamie Shinabarger
President & CEO, Springs Valley Bank & Trust Company
Jasper, IN

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing in response to the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. I am the President and CEO of Summit Bank in Eugene, Oregon. We are a nearly $1 billion community bank with a focus on business, SBA, and equipment lending and the only bank headquartered in our county. We are highly engaged in our community and attentive to risk management. I am concerned that the proposed framework for managing climate-related financial risk management for large banks will negatively impact community banks and the communities that we serve for reasons stated below. DIVERSION OF RESOURCES AWAY FROM THE COMMUNITY TO BANK ADMINISTRATION * Considering the fact that data and tools to measure and quantify climate-related financial risks are not fully developed, the complexity of scenario anlysis will require community banks to hire costly third-party consultants to perform the work. * Availability of qualified third-partly consultants will be limited as there will be few if any currently qualified in our community. * The ramp-up time and cost to hire or train existing staff will divert personnel and funding dollars away from lending to the small business that are the backbone of our community. REDUNDANCY OF PRACTICES * Existing risk management practices are effective and have enabled community banks to manage climate-related risks for decades. * Community banks already actively stress test loan portfolios to identify risk impact of potential default for various scenarios. * The current transition to CECL presents additional attention to risk through comprehensive modeling analysis. ADVERSE IMPACT TO SMALL BUSINESSES * Most business customers will lack the expertise to provide the climate data community banks will be required to gather. * The cost to implement the additional framework will tighten margins resulting in rate increases and costs to the small businesses community banks support. ONE SIZE DOES NOT FIT ALL * Circumstances are different for each institution with respect to size, business model and client portfolio. * Supervisory expectations concerning scope and the extent of data or scenario analysis capabilities should reflect the nature of the institutions loan concentrations and risk exposure. * Given the small size, relative non-complexity and lower risk profile of community banks compared to large banks, the scenario analysis presents an unnecessary burden to community banks. We would appreciate your consideration of the above mentioned items. As you know, community banks are a key component of the economy and the most significant lending channel providing funding to small businesses across the country. Thank you for your continued support of community banks. Please feel free to contact me directly at 541-684-7533, at any time.

Sincerely,

Craig Wanichek - President and CEO

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am submitting this letter in response to the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. I am the EVP of The Commercial Bank in Honea Path, South Carolina. We are a $250 million community bank with six branches in the upstate of South Carolina. Two of our six branches are located in small towns where we are the only bank within a 10-12 mile radius for those communities. I am concerned that the FDIC may, in the future, apply this climate-related financial risk management to community banks. Our existing risk management practices are effective and have enabled community banks, like us, to manage climate-related risk for decades. Community banks do not pose a systemic risk to the financial system, like large banks do. We should never be subject to a "one-size-fits-all" climate-related financial risk management framework designed for large, complex institutions. This would be expensive and would also duplicate current risk management practices that are currently in place. If our community bank was required to conduct scenario analysis and gather climate data from our rural customers, many of which do not maintain this data and would strongly object to the additional cost they would incur, it would likely drive many out of the banking system or out of business all together. This would also create another huge expense to community banks as we would need to hire qualified climate risk experts to perform such analysis. This in itself would be very difficult, as there are very few qualified professionals in our community to perform this work. Thank you so much for the opportunity to submit comments on the proposed framework. I also want to thank the FDIC for limiting its proposal to banks with more than $100 billion in assets and encourage the FDIC to conduct outreach with community bankers to better understand why this proposal should never apply to community banks.

Mr. C. Nakia Davis

Honea Path, SC

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large institutions. I am currently the Chairman of The Peoples Bank Co a community bank with $680 million in assets located in rural west central Ohio. Our primary market area is Mercer County which is the #1 agricultural county in Ohio. I am concern that FDIC will in the future apply this climate-related financial risk management to my community bank. Community bankers are risk adverse by nature, and because of the cost of compliance it often renders our only option to comply with regulatory mandates like this one to simply abandon the the product or customers. As we have seen with TRID and consumer mortgages and BSA and money servicing business. For over 117 years we have applied effective risk management practices to manage climate-related risk in a safe and sound manner. At our size we are not a systemic risk to the financial system. It is also obvious to me that we could not attract or afford the expertise internally to perform the required outreach and analysis of our customers to comply with your proposed climate-related risk management. It makes the proposal cost prohibitive because much of the assessment would need to be outsourced. My bank was formed in 1905 and has been servicing our local agricultural community every since, don't make us abandon those customers because of the burdensome climate-related risk management requirements. We are a local community bank so our risk will always be concentrated in the communities we serve. Thank you for the opportunity to submit my comments on the proposed climate-related financial risk management for large institutions (more than $100 billion in assets).

Thank you,

Jack Hartings

Chairman The Peoples Bank Co.

Coldwater, OH

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing regarding the FDIC's request for comment of its statement of principles for climate-related financial risk management for large financial institutions. I am the President and CEO of Tioga State Bank N.A., a $560 million community bank located in Spencer, NY. Our bank has been operating in Upstate New York since 1864 as a commercial bank providing residential, small business and agricultural loans in our market. I am very concerned that the proposed framework for managing climate-related financial risk management for large banks will trickle down and negatively impact community banks throughout the country. Our bank has been managing climate risk since 1864. We have weathered numerous blizzards, ice storms, floods, and droughts in our 150+ year history. We experienced two 100-year floods over the past sixteen years, one in 2006 and another in 2011 that devastated many homes and businesses in our community, however the bank came through both events with little to no losses. We also assisted many of our customers and provided zero interest and low interest rate loans to many to help them through the recovery process. Having been in business through various climate cycles over 150 years shows evidence that we know how to manage and mitigate that risk. To my knowledge there has not been a bank failure due to climate change or even climate transition. Our country has gone through many different transitions over the last 150 years that banks have certainly been able to manage. Our banking system is extremely resilient and showed that during the recent Covid pandemic. I understand the transition risks as we try to move our country away from fossil fuels. However, I don't anticipate the transition risk to be a major impact in our market. It is interesting that there continues to be differing opinions about the move away from fossil fuels to renewable sources. The book, Unsettled by Steven E. Koonin and a recent opinion article in the Wall Street Journal, Fossil Fuels' Forthright Defender both provide differing opinions on our ability to affect climate change and transition away from fossil fuels. Additionally, community banks have proven time and time again that we are nimble and work with our customers and course correct as needed when wide-sweeping changes do occur. The proposal would require large banks to perform scenario analysis via computer modeling to determine the future impact on the bank due to changes in the economy, financial system and or physical hazards due to climate-related events. Truthfully, I find this modeling to be senseless. Scientists have not been able to use computer modeling to recreate past weather events much less predict the future. There are just too many variables. We all know that regulations, including climate change risk management, tend to trickle down to smaller banks as best practices. I am very concerned about the additional costs to bring in so-called "climate experts" to help us manage this "new" risk. There will be many new climate expert consultants who will make some significant money when this is implemented. Requiring community banks to gather climate data from our customers will also be problematic. Most of our small business customers would have no idea of how to determine this data, much less be willing to collect and disclose the data to their bank. It is concerning that this framework could discourage banks from doing business with legal but climate disfavored industries. In the Northeast, most homes in our area are heated with fuel oil. There are many small businesses that are tied into this industry, from fuel oil dealers to furnace install and repair shops. If these businesses are shunned from the banking system, who will step in to fill this role? This could lead to another "Operation Chokepoint" to target businesses that may be out of favor with the administration and therefore, have a severe negative affect on rural America and the many small communities and small businesses I appreciate that the FDIC is giving us the opportunity to weigh in on this important subject and hope you consider this in the implementation of the proposed framework. I appreciate that the framework is limited to banks over $100 billion in assets and would encourage the FDIC to ensure the framework does not trickle down to community banks as a best practice.

Sincerely,

Robert M. Fisher

President & CEO

1 N. Main Street

PO Box 386

Spencer, NY 14883-0386

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing on behalf of Troy Bank & Trust regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management. Troy Bank & Trust has been serving communities for over 115 years. Organized in 1906 as an independent community bank in Southeast Alabama and now with 14 locations, our customers rely on us to serve the financial needs in our communities. As a community bank, I am concerned that the FDIC may, in the future, apply this climate-related financial risk management to community banks. I believe a separate risk-management framework for climate-related financial risk is unnecessary to manage safety and soundness at my bank or any community bank with fewer than $100 billion in assets. Our bank currently applies risk management practices and utilizes business continuity/disaster plans, concentration risk management, underwriting practices/estimating ALLL, and securing insurance policies to offset risk, among others. Existing risk management practices are effective and have enabled community banks to manage climate-related risk for decades. Additionally, unlike large banks, community banks do not pose systemic risk to the financial system and should never be subject to a "one-size-fits-all" climate-related financial risk management framework designed for large, complex institutions. As with any new proposal, gathering the data, researching the required information for scenario analysis, and hiring qualified experts can become financially burdensome. To comply with this framework would be expensive and would unnecessarily duplicate current risk management practices. For example, with the adoption of CECL, the bank must be even more concerned with reflecting future risk, such as the risk that the climate will change, in loan loss reserves. Troy Bank has helped customers through weather-related events since inception. When tornadoes, floods, and other severe weather issues have impacted the communities we serve, we have responded to our customers' needs, worked with them through their recovery period, and helped them to rebuild. These are not only our customers but our neighbors, and they know that they can count on us due to our longstanding relationship. This differentiates community banks from the large firms. I thank you for limiting the proposal to banks with more than $100 billion in assets and encourage the FDIC to conduct outreach with community bankers to better understand why this proposal should never apply to community banks. Thank you for the opportunity to write this comment letter.

Ms. Jennifer Pelham

Troy, AL

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing today in reference to the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. This is a topic that affects us all, and as a community bank, it particularly affects us. I am the President of an $840 million community bank located in St. Louis, MO. We served small businesses and predominantly focus on mom and pop businesses looking to get started or expand their businesses. We work daily in our community serving those who are chasing the "American Dream". Our clients aren't big business. They are not large multinationals. They aren't faceless entities pushing their weight around to get their way. They are normal Missourians, just looking to have a better life through entrepreneurship and hard work. At almost 130 years old our institution has responded to, survived, and helped our community recover from catastrophes and natural disasters. We are the stewards of our community and are best in a position to see what is going on in our area. Overly burdensome, unnecessary, and speculative criteria will not further protect our community. We are on the ground here and have been on the ground helping to protect our community and the local ecosystems. I am worried about the proposed climate-related financial risk management applications on community banks. In our industry, there is always a trickledown effect on regulations. Regulations tailored for and promised to only be applied to large institutions, almost always eventually make their way down to the smallest institutions. These community banks are least able to absorb further bureaucratic regulations. The proposed framework will have an impact. It will strain our already very strained resources. Community banks do not have the resources to stress test or analyze remote, highly speculative, or unquantifiable climate change assumptions. Further, the mandatory climate change disclosure requirements would be burdensome, to say the least. We do not have large-scale back-office teams to generate all of these things. Further, these disclosures could easily be viewed as a way to penalize disfavored industries and become politicized. While targeted incentives work, I fully support them. This sort of regulatory expansion based on speculative assumptions does nothing positive for our industry or the climate. Before implementing the proposal the Financial Stability Oversight Council in conjunction with the banking agencies should conduct outreach meetings with community bankers. This would ensure proper perspective is received and make sure it does not unfairly penalize or overburden community banks. I thank you for allowing me the opportunity to send this letter. I do acknowledge and thank you for attempting to limit the effects to banks over $100 billion. I ask you to please consider having outreach meetings with community banks.

Tyler Bender

Festus, MO

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. I am the President and CEO of Union Bank Inc., a $375 million community bank located in Middlebourne, WV. We primarily provide consumer mortgage loans, commercial real estate loans, and commercial / industrial loans to our rural northern WV markets. I am concerned that the FDIC may, in the future, apply this climate-related financial risk management to community banks. I believe that climate-focused risk-management framework for community banks is unnecessary, for the following reasons: * Existing risk management practices are effective and have enabled community banks to manage climate-related risk for many years. * Unlike large banks, community banks do not pose systemic risk to the financial system and should not ever be subject to a "one-size-fits-all" climate-related financial risk management framework. * Compliance with a climate-related financial risk management framework would be expensive and would unnecessarily duplicate current risk management practices. My bank has been practicing climate-related risk management for decades. For example: West Virginia, including our area, is prone to flash flooding. These natural events have been occurring long before there was concern about climate-related weather events. We have managed for this risk, and will continue to do so, by requiring flood insurance for property located in flood-prone areas. As to transitional risk (due to transition to a low-carbon economy), we have also been managing this type of risk for decades. West Virginia has produced fossil fuels for over 100 years. Community banks like mine, serving communities that are dependent upon these industries, have managed through the significant volatility of the fossil fuel markets for many years. We are well aware of, and plan for, this volatility. Further, with the adoption of CECL, my bank and other community banks will be required to consider future risks, such as potential climate-related risk, in our loan loss reserve modeling. The concept of Scenario Analysis, if required for community banks, is particularly troubling and concerning. It should not be required of community banks, for the following reasons: * Scenario Analysis would require community banks to forecast for remote, isolated, and speculative risks and be of little practical utility to community banks that are already familiar with their concentration risks and how to manage these risks. * To conduct scenario analysis for transition risks, community banks would need to gather climate data (such as greenhouse gas emissions data) from their customers, many of which do not maintain this data nor would they have the resources to gather it. The cost of scenario analysis for community banks and their customers would be prohibitive, and would provide little if any real benefit. Again, with the requirement of CECL to provide a forward-looking analysis for loan loss reserve adequacy, community banks like mine will already be practicing a type of scenario analysis. My bank, like nearly all community banks, is non-complex and of an overall lower risk profile than the largest banks. There is no need to apply complex risk modeling such as Scenario Analysis to a community bank. I appreciate the opportunity to comment on this proposed framework. I encourage FDIC to conduct outreach to community bankers in order to develop a better understanding as to why this proposal should not, nor ever, apply to community banks.

Sincerely,

Tim Aiken

Union Bank Inc.

Middlebourne, WV

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

To Whom It May Concern: This letter is written in regards to FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. I am President and CEO of Vermilion Bank & Trust Company, which is a small community bank that opened over 60 years ago. Our bank serves a diverse group of customers in the rural town of Kaplan as well as other small communities in the surrounding area. Vermilion Bank has $160 million in assets and primarily provides commercial and agricultural loans. I would like to express our opposition to this Proposed Rule as it may, in the future, apply this climate-related financial risk management to community banks which would negatively impact Vermilion Bank in addition to our community. I do believe a separate risk-management framework for climate-related financial risk is unnecessary to manage safety and soundness of any community bank with fewer than $100 billion in assets. Existing risk management practices are effective and have enabled community banks to manage climate-related risk for decades. Unlike large banks, community banks do not pose systemic risk to the financial system and should not ever be subject to a "one-size-fits-all" climate-related financial risk management framework designed for large, complex institutions. Compliance with a climate-related financial risk management framework would be expensive and would unnecessarily duplicate current risk management practices. Due to our location we have witnessed devastating hurricanes and the stress this storms can have on our customers financially. We have always strived to help our community in these times by allowing extensions on monthly loan payments, allowing them time to recoup in the aftermath. Community banks are already familiar with their concentration risks and how to manage these risks. With the adoption of CECL, our bank has implemented even more conservative approach to reflecting future risks in loan loss reserve and stress testing the loan portfolio as part of CECL. Scenario analysis is an expensive exercise that would require specialized third-party expertise, and it should not be mandatory for community banks, given the small size, relative non-complexity and lower risk profile of our community bank. Vermilion Bank is one of only four small community banks remaining in our location. Losing a bank in our rural community due to regulatory burden would be a significant detriment for local small businesses seeking access to credit. These businesses need greater access to credit and not additional barriers. I would like to close by saying how much I appreciate your time, and to thank you for the opportunity to express our concerns with this proposed rule. We are grateful for FDICs limiting its proposal to banks with more than $100 billion in assets and would like to encourage the FDIC to conduct outreach with community bankers to better understand why this proposal should never apply to community banks.

Sincerely,
Joseph A Couvillon,
President and CEO, Vermilion Bank & Trust Co
Kaplan, LA

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am taking the time to personally write you regarding the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. I am the President of a small bank in the heart of the Coalfields of Southern West Virginia. Whitesville State Bank was founded in 1946 and we just celebrated our 76th anniversary. We have a history of serving the coal community and in a small way the coal industry. It is our way of life as well as the vast percentage of economic opportunity for our citizens and thus, our bank. WSB is a $130 million dollar institution that primarily serve consumers with Home Mortgage Loans, other consumer loans, and a small commercial portfolio, all of which we keep on our books. We serve Boone, Raleigh, Wyoming, Fayette, and Kanawha Counties with most of our customers living in distressed rural areas. In my 36 years as a community banker, I have never seen the FDIC fine tune a regulation so that it does not affect small community institutions and those effects are vastly more punitive to us. The cost us more via a myriad of negative consequences that are an afterthought to the large institutions the regulations are written for. My concerns are primarily outlined below:

- The continued spread of regulation and restrictions aimed at limiting GHG has already drastically damaged our state's economy. That impact will continue to increase negatively, and no consideration will be given to the lives ruined in its wake. The regulation drops a bomb on our people, and they are expected to simply move somewhere else. Their life's work destroyed in the rear-view mirror.
- We currently manage climate related risk on an ongoing basis to ensure our services continue to flow to our community, come what may. We plan, we test, and we implement common sense controls that satisfy regulation and work.
- Unfortunately, we are too small to not fail. If we disappear tomorrow, it will be a blip on the FDIC's Insurance Funds radar. They won't miss us, but this economy, this community, and this state, certainly will if this death by 1,000 cuts continues.
- The expenses associated with this duplicative risk management will be very high for community banks. We smother daily under the costs associated with the onslaught of compliance related expenses that have poured out of D.C since the implementation of Dodd Frank. There will be a tipping point for us all financially. Many have already tipped, as is evident by the sellout/burnout rate of community banks. It is staggering and killing rural America.
- The personnel and expertise needed to run this new risk management process will be hard if not impossible to find in rural America. We will struggle to train and fill the positions needed. That will only add to the problems of BCP that all small banks face today.

WSB has navigated the rocky road of a commodity-based economy our entire existence. We plan for it and we have weathered each storm that has come. We suffer with the people we serve and stand with

them to make the best life possible for our citizens and state. It hasn't always been pretty, but we adapt, we plan, we mitigate, and we move on. I fear we are approaching a bridge to far from a regulatory standpoint. We have been for years and continue to manage our climate related risks on a continuous basis. We have been flooded twice over a 12-month period in the late 90's at the main office in Whitesville. We cleaned the catastrophe up ourselves and never closed a day or interrupted any services. We have had blizzards, ice storms, derecho's, power outages, and our mitigation strategies have worked every time. We require flood insurance for customers, and we carry flood insurance for ourselves where needed. All of what I have described was planned for, tested, mitigated, and retested at great expense. Much more expense than the actual events caused us. The transitional risk that will come from your new initiatives and the eventual continued decline the fossil fuel industry will experience, will be hard to navigate. We however have been navigating this decline, whether market driven, or regime change driven, for our entire 76 years of existence. This transitional future does not look bright, but we will plan for it, survive it, and continue to serve whatever community we have left. Further, with the adoption of CECL, my bank and other community banks will be required to consider future risks, such as potential climate-related risk, in our loan loss reserve modeling. The concept of Scenario Analysis, if required for community banks, is particularly troubling and concerning. WSB, like nearly all community banks, is non-complex and of an overall lower risk profile than the largest banks. There is no need to apply complex risk modeling such as Scenario Analysis to a community bank.
It should not be required of community banks, for the following reasons:

• Scenario Analysis would require community banks to forecast for remote, isolated, and speculative risks and be of little practical utility to community banks that are already familiar with their concentration risks and how to manage these risks.

• To conduct scenario analysis for transition risks, community banks would need to gather climate data (such as greenhouse gas emissions data) from their customers, many of which do not maintain this data, nor would they have the resources to gather it and will be furious that we ask for it

This expensive proposition would accomplish little and be impossible for small community banks to absorb. The backlash to the process from our communities will cause reputational risk that will greatly outweigh the new risk you are trying to measure. We continue to be told by our regulators what an important role community banks play in our economy, society, and nation. Almost every agency I have met with starts their presentation with those comforting words. Maybe it is possible to create banking regulation that won't trickle down to the bottom of the barrel where we are and drown us. My problem is you haven't been able to accomplish that in my 36-year career at WSB! I fully believe this flawed initiative will be at my doorstep in short order if it is put into effect. If we are vital to our economies, society, and nation, as we are told, then someone at the FDIC needs to hear and see what this will do to the community banking industry!

Sincerely,

Robert L. Milam Jr.

President
Whitesville State Bank

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing to you today regarding the FDIC's request for comment on proposed principles for climate-related financial risk management for large financial institutions. I am a fourth generation community banker and owner in Minnesota. Our Holding Company, Wilcox Bancshares, Inc. is a multi-bank holding company with Grand Rapids State Bank serving rural northern MN and Minnesota Lakes Bank serving the suburbs west of the Minneapolis market. I have concerns about this FDIC proposal and the fact that it could, in the future, be applied to the community bank sector. The proposed frame work for managing climate-related risk at large banks would certainly affect my banks negatively and further I believe it would negatively impact the community banking system at large. I would contend that existing risk management practices in community banks, generally under $100B in size, are and have been effective and have enabled these community banks to manage climate-related risk for decades. Further, unlike large banks, community banks do not pose systemic risk to the financial system and should never be subjected to one-size-fits-all regulation. Lastly, the proposed scenario analysis is an expensive exercise that requires specialized third-party expertise, and it should not be mandatory community banks given the small size, relative non-complex nature of our business model and the lower risk profile of community banks when compared to large banks.

Thank you for inviting comment and allowing me to share the high points of my concerns with you.

Mr. Noah Wilcox

President, CEO & Chairman Wilcox Bancshares, Inc.

Grand Rapids, MN

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

I am writing in regard to the FDIC's request for comment on its statement of principles for climate-related financial risk management for large financial institutions. I am the CEO of Wyoming Bank & Trust, a $300 million community bank located in Cheyenne and Burns, Wyoming. We were founding in 1919 by local farmers and ranchers in Burns, Wyoming and have been providing "One on One" personalized service to our customers ever since. We provide ag and real estate lending to our community and are the only bank presence in Burns, Wyoming. As we have seen many times before, I am worried about the proverbial "camel's nose under the tent". I am concerned that the FDIC may, in the future, apply this climate-related financial risk management to community banks. We have been told time and time again that certain regulation will only apply to large institution to only end up having to address many of these regulations ourselves with added costs that benefit no one. Thank you for the opportunity to comment and to limit this proposal to large banks. I encourage you, if any of these regulations do get implemented, to ensure that they cannot affect small community banks now or in the future.

Jeff Wallace

Cheyenne, WY

Mr. James P. Sheesley, Assistant Executive Secretary
Attention: Comments--RIN 3064-ZA32
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Mr. Sheesley:

Thank you for your service to the banking industry! I am contacting you to express my concerns that additional climate related financial risk management would provide an increased regulatory burden. Financial institutions have dealt with climate issues including hurricanes, floods, droughts since banking began, and we are equipped to continue to operate our banks in a safe and sound manner while managing risks including climate. I am Chairman of a $950 million community bank in Texas. We have the oldest National Bank Charter in Texas. We have locations from DFW to rural areas north of Abilene. We have successful experience dealing with agricultural borrowers who are experts in climate patterns in three of our branches. In one of those locations, we are the only bank in the town. Climate patterns are cyclical and not new. While I would discourage you from applying additional regulation for any bank including banks over $100 billion, I also thank you for limiting the scope. I am concerned that any new requirement will eventually negatively affect our communities. Thank you for your time and for the opportunity to share my thoughts on this issue.

Sincerely,

Zan Prince

Willow Park, TX