



MISSOURI
INDEPENDENT
BANKERS
ASSOCIATION

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April 18, 2023

The Honorable Martin J. Gruenberg
Chairman
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Chairman Gruenberg:

On behalf of our member community banks across the state of Missouri, the Missouri Independent Bankers Association strongly urges the Federal Deposit Insurance Corporation (FDIC) to use your current authority under the Federal Deposit Insurance (FDI) Act to exempt community banks from any special assessment levied on the banking industry to cover losses to the Deposit Insurance Fund (DIF) from the recent failures of Silicon Valley Bank (SVB) and Signature Bank of New York.

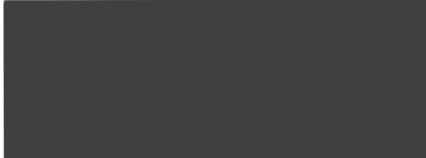
The association and our members were encouraged by your recent testimony before the Senate Banking and House Financial Services Committees where you highlighted the FDIC's discretion to design the special assessment in a way that recognizes the types of entities that benefit from the systemic risk exception as well as economic conditions and effects on others in the industry.

Further, we applaud the White House for issuing a Fact Sheet indicating strong support for ensuring that "the costs of replenishing the DIF after these recent failures are not borne by community banks" and urge you to consider their comments when determining the specifics of the special assessment.

Community banks did not benefit the most from the systemic risk exemption and should not shoulder the burden of paying the estimated \$23 billion loss to the fund. The size, rapid growth, and excessive risk of SVB and Signature Bank of New York are not reflective of the community banks in our state. Community banks operate under a completely different model based on personalized relationships, sound underwriting and risk management that protects our customers and communities across the state.

The Missouri Independent Bankers Association believes that community banks should be exempt from any special assessment to cover the losses of SVB or Signature Bank. Community banks are already experiencing a 2-basis point increase in FDIC assessments for 2023 which for many well capitalized community banks increased their assessments by more than 50 percent. If any assessment increase is warranted, it should be imposed on the institutions that pose the most risk to the DIF—not community banks.

Sincerely,



Matthew S. Ruge
Executive Director
Missouri Independent Bankers Association

CC: Travis Hill, Vice Chairman, FDIC
Michael J. Hsu, Acting Comptroller of the Currency and Director, FDIC
Rohit Chopra, Director of the Consumer Financial Protection Bureau and Director, FDIC
Johnathan McKernan, Director, FDIC