

From: Mahlon Sanford, Community Bank Director <mahlonsanford@gmail.com>
Sent: Monday, July 10, 2023 9:34 AM
To: Comments
Subject: [EXTERNAL MESSAGE] May 22, 2023 - Special Assessments Pursuant to Systemic Risk Determination - Notice of Proposed Rulemaking; Comment Request (RIN 3064-AF93)

Mr. James P. Sheesley
Assistant Executive Secretary
Attention: Comments—RIN 3064-AF93
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429
Dear Mr. Sheesley:

With the threat of increasing the FDIC assessment to all banks, I am asking the FDIC to support exempting all Banks under \$5Billion. Our community banks are becoming extinct and the additional burden of increasing the FDIC assessment is putting more fuel on the fire to their extinction.

Managing growth by an institution and the regulators oversight is a concern I have. A simple observation of stress testing a miss matched balance sheet should have set off alarms in an environment we all knew would impact a bank in a rising rate environment. Banks showing significant growth should require additional oversight. We all knew it would happen just not when and as quickly as the rate increase happened. But the quarterly stress test of “shocking the balance sheet” would tell a simple person like me that.

We need our community banks, especially in underserved areas. Community banks “know their customers” and their community they serve. Community banks sacrifice profitability to comply with the bank regulations, and they don’t abandon branches just because of profitability.

While SVB, Signature and First Republic were not “to big to fail banks,” they were huge compared to a \$5Billion and under bank.

Yes we have to figure out how to protect (insure) payroll accounts, funds raised from an IPO or Stock Offerings, and maybe some others, the community banks are not the significant issues for the FDIC, in my opinion.

I hope the FDIC is able to see the additional burden they are placing on community banks with an increase in the FDIC assessment and considers exempting banks under \$5Billion.

Thank you for your time in reading this.

Mahlon Sanford
Director of Fidelity Bank in New Orleans