
Community Spirit Bank



July 11, 2023

Via Email to : comments@fdic.gov

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

RE: RIN 3064–AF93

To Whom It May Concern:

I am writing you today on behalf of Community Spirit Bank, [REDACTED] in support of your proposed rule on the special assessment calculation to replenish the DIF from the systemically risky bank failures of Silicon Valley Bank and Signature Bank. Both of these institutions were very large and risky organizations that in no way resemble the balance sheet of my community bank.

Large institutions whom the government designates as “Too Big to Fail” should always be required to pay higher premiums for their FDIC insurance. All insurance should be risk based and tiered based on the proportionate risk that an entity places upon the insurance fund. As such, the FDIC’s thoughtful methodology to exempt the vast majority of community banks including mine from this special assessment is appropriate.

For my community bank colleagues whose assets are above \$5 billion and who will be assessed for uninsured deposits in excess of the first \$5 billion, I would recommend the FDIC issue clear guidance that you will not count any public funds against any calculations because in those instances and in most states such as mine, all state, county and municipal deposits are backed by pledging of government bonds etc., thus placing no risk to the deposit insurance fund. The FDIC should always exempt collateralized public fund deposits that are 100% backed by pledging from any calculation of an uninsured deposit assessment base.

In conclusion, on behalf of my bank, we support the FDIC’s proposal on this special assessment that will exempt my community bank from having to pay for replenishing the DIF as a result of risky banking activities of these large institutions that led to their failure. We always believe that tiered and proportioned regulation and assessments should be considered and implemented by the FDIC so that a community bank like ours is not unduly burdened for paying for the sins of large and risky financial institutions.

Thank you for allowing me to submit this comment on behalf of my community bank.

Sincerely,

[REDACTED]
Brad M. Bolton
President/CEO/Sr Lender
Community Spirit Bank