

**From:** Christopher J. Fenimore <Christopher.Fenimore@unitybank.com>  
**Sent:** Friday, July 14, 2023 9:39 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:

Unity Bank (UNTY) appreciates the opportunity to provide comment on the Federal Deposit Insurance Corporation's (FDIC) proposed Special Assessment rulemaking to recover the loss to the Deposit Insurance Fund (DIF) arising from the protection of uninsured depositors in connection with the closures of Silicon Valley Bank (SVB) and Signature Bank (SBNY).

I am proud to serve as the President and CEO of a \$2.5 billion community-oriented bank headquartered in Clinton, New Jersey, with 21 branches serving a diverse populous within two states. As President and CEO, I support and commend the FDIC for crafting a proposal that exempts community banks with fewer than \$5 billion in assets from paying any special assessment related to the failures of SVB and SBNY and strongly encourage the FDIC to finalize the rule as proposed.

As a community-oriented bank, our "insured" customer deposit base was determined to be in excess of 82%, prior to and post failures of SVB and SBNY. Therefore, validating Unity Bank operates a vastly different model than SVB and SBNY which were reliant on "insured" deposits of 6% and 10% respectively.

If the FDIC is considering future backstop protection for uninsured depositors, then may I propose that the FDIC reevaluate and consider increasing the current insured deposit limits and or consider raising the deposit insurance fund assessments for those larger higher-risk financial institutions. Community Banks should not incur special assessments or be held responsible for subsidizing the outsized risk large banks pose to the financial system.

On behalf of Unity Bank, thank you for the opportunity to provide input on the proposed rulemaking and specifically for avoiding the one-size-fits-all approach.

Respectfully,

**James A. Hughes**  
President – Chief Executive Officer  
Unity Bank



**Christopher J. Fenimore**

Chief Compliance Officer | Unity Bank  
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