

From: Larry Winum <lwinum@glenwoodstatebank.com>
Sent: Friday, July 14, 2023 1:39 PM
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:

I am submitting this letter in response to the FDIC's request for comment on proposed special assessments following the systemic risk determinations announced after the failures of SVB and SBNY.

I have been a community banker for 36 years, currently serve as Chairman/CEO of a family owned bank that was chartered in 1899. We are a \$300 million community bank with offices in Glenwood, Tabor and Council Bluffs, Iowa. Because we have offices in both rural and suburban areas, we have a diverse mix of small business, commercial, agricultural, residential and general consumer customers. I am a 4th generation member of the family and look forward to many more years of serving our communities.

I'm sure you will be receiving a groundswell of comments from my other community banking colleagues that are totally opposed to any special assessment being applied against community banks. I commend and strongly support the FDIC's proposal to limit special assessments to the 113 large banking organizations that hold a high percentage of large amounts of uninsured deposits and totally agree with FDIC's decision to exempt community banks with fewer than \$5 billion in assets from any special assessment. Unlike SVB and SBNY, who held over 90% of their deposits that were uninsured, the Glenwood State bank has approximately 15% of our total deposits that would be uninsured. After almost 125 years of existence, through world wars, the great depression and recession, and the farm crisis of the 1980's, we have never had one customer lose a dime in this bank. We are proud of that record and plan to continue operating our bank with the philosophy that we have a fiduciary responsibility to protect the depositors money first and foremost. Of our 15% of larger depositors, we had only six customers contact the bank after the SVB and SBNY announcements with concerns. After discussions with all six, we were able to relieve any concern about the safety of their deposits, and they left their money in the bank. In effect, it was nonevent for our bank.

There is no doubt in my mind, and it appears that the FDIC agrees, that the proposed special assessment should only be applied to the banking organizations that benefitted the most from the FDIC's protection of uninsured deposits. It continues to be obvious that the large banks with a much higher percentage of large, uninsured deposits benefit the most from systemic risk determination and these large financial institutions should foot the

bill for that additional risk. The community banking model works, because we know our customers and we understand the depositors money is theirs, not the banks! As mentioned above, the SVB and SBNY failures were a non-event for our bank, and we believe, had those banks uninsured depositors not been protected, it would still have been a non-event for our bank.

As a last comment, I would ask the FDIC to seriously consider setting up some kind of tiered “risk based premium” assessments going forward. I have never been to understand why the Glenwood State Bank basically pays the same premium rate that the TBTF (which appears to be getting larger) banks pay. Regulators come into each bank and calculate our tier one capital, as well as “risk based” capital ratios. Why can’t the FDIC develop the same kind of model for “risk based” premium assessments. It only seems fair and appropriate, that those financial institutions that choose to take more risk, should pay higher premiums.

Thank you for this opportunity to comment on this special assessment issue and we strongly support the FDIC’s decision to exempt the vast majority of community banks .

Larry Winum

Chairman/CEO

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