

**From:** Jay Hendricks <JHendricks@villagebank.com>  
**Sent:** Friday, July 14, 2023 2:05 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 to exempt community banks under \$5 billion from the special assessment following the systemic risk determinations announced after the failures of SVB and SBNY.

I am the President and CEO of Village Bank, a \$750 million community bank with headquarters in Midlothian, Virginia and nine branches located in central Virginia. We provide retail, commercial, and mortgage banking products and services with a focus on small business relationships. We are particularly proud of the support we provided our neighbors and community during the pandemic. Through the Paycheck Protection Program (PPP), we funded a total of \$265 million, helping over 1,600 businesses, and saving more than 28,000 jobs from elimination. 55% of our PPP loans had balances of less than \$50,000. We assisted both clients and non-clients alike, with approximately one-third of our PPP loans to new customers.

I strongly support the FDIC's proposal to exempt community banks with fewer than \$5 billion in assets from paying any special assessment for the large bank failures, and I encourage the FDIC to finalize its rule as proposed. The banks that failed had unique risk factors not representative of community banks or Village Bank. We are core funded by a local diversified customer base and we extend loans back into our community. Nearly 70% of the Bank's deposits are insured and a large portion of our uninsured deposits are associated with our small business customers' operating accounts. Additionally, the banks in the most trouble were those that locked up money in long-term assets at low rates. Our investment portfolio is held as available for sale with a duration of 3.13. We have excellent liquidity levels, which includes cash, marketable securities and borrowing capacity. Finally, our Bank, similar to other community banks, does not have the level of fee income revenue sources that the larger banks have to help offset today's higher deposit costs and a special assessment fee should it get passed along to smaller community banks. I appreciate the FDIC avoiding a one-size-fits-all approach to the special assessment and exempting community banks from the assessment. I encourage the FDIC to finalize its rule as proposed.

Regards,

James E. Hendricks Jr.  
President and Chief Executive Officer

Village Bank  
13319 Midlothian Turnpike  
Midlothian, Virginia 23113

