



July 14, 2023

Federal Deposit Insurance Corporation
Via electronic delivery

RE: FDIC Special Assessments to Recover Losses to the DIF

To Whom It May Concern:

I am writing regarding the FDIC's proposal to exempt community banks under \$5 billion in assets from the special assessment. My name is Tara Harrison and I am the Chief Financial Officer of Virginia National Bank, a \$1.6 billion bank headquartered in Charlottesville, Virginia. Our bank serves the Charlottesville, Albemarle, Winchester, Fauquier, Prince William and Richmond, Virginia markets.

I strongly support the FDIC's decision to exempt community banks with fewer than \$5 billion in assets from paying any special assessment for the large bank failures of SVB and SBNY, and I encourage the FDIC to finalize its rule as proposed.


Virginia National Bank's business model is significantly different than that of SVB, SBNY and some other larger regional banks. We do not bank tech start-up or venture capital companies. We do not participate with or bank any crypto companies. We are a local community bank that has earned the trust of our customers in the markets we serve. Our deposits are from individuals, charitable organization, nonprofits and businesses within our local markets and the majority of our loans are with companies in our local markets as well. We partner with Intrafi to provide CDARS and ICS products to our customers for additional FDIC insurance beyond the \$250,000 coverage for individuals and businesses. The level of uninsured deposits at our bank is significantly less than SVB and SBNY and we operate our bank in a safe and sound manner.

Our customer base has remained loyal throughout our history of 25 years. We donate a significant portion of our net income each year to nonprofits in our local areas. We have remained focused on our local customers and businesses through the years, including the Great Recession and Covid. We funded over \$200 million in PPP loans during Covid and retained our employee base without layoffs.

If we were to be imposed with a special assessment, it could force us to pass on the higher costs to our customers through reduced deposit rates or increased loan rates, and it could limit the donations that we make to our local nonprofits and the investments that we make in our local markets. We should not be responsible for subsidizing the risks that the larger banks pose to our financial system.

I thank the FDIC for the opportunity to submit comments on the proposed special assessments and for recognizing that the special assessment should not be imposed to banks of all sizes.

Sincerely,


Tara Y. Harrison
Executive Vice President & Chief Financial Officer

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