Independent Bankers Association of Texas

July 17, 2023

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

Via Email: comments@fdic.gov

Re: RIN 3064–AF93

Ladies and Gentlemen,

The following comments are provided on behalf of the Independent Bankers Association of Texas ("IBAT"), a trade association that represents the independent community banks of Texas. IBAT member banks range in size from $27 million to $52 billion in assets, serving Texans in communities of every size.

The Federal Deposit Insurance Corporation ("FDIC") is proposing a rule that would impose 'special assessments' to recover the loss to the Deposit Insurance Fund ("DIF") arising from the protection of uninsured depositors in connection with the systemic risk determination announced on March 12, 2023, following the closures of Silicon Valley Bank, Santa Clara, CA, and Signature Bank, New York, NY, as required by the Federal Deposit Insurance Act (FDI Act).

IBAT member banks appreciate that the 'special assessments' are crafted so as to shield community banks from the burden of having to replenish the DIF. The vast majority of independent community banks in Texas, and no doubt across the country, are spared by the $5 billion in total assets threshold for the imposition of the 'special assessments.'

The FDIC's proposal to fully exempt community banks under $5 billion in assets and to tie assessments to applicable financial institutions' estimated uninsured deposits recognizes the importance of distinguishing large banks that pose systemic risk to the financial system from the thousands of local community banks that serve consumers and small businesses.

There is one area, however, that should be clarified in any final rule, and that is in regards to public funds or other situations in which the bank has pledged marketable securities as collateral for deposit account balances in excess of the deposit insurance limit of $250,000.

In theory, those deposit balances in excess of $250,000, that are fully secured by marketable securities, pose no risk to the DIF in the event of a failure similar to Silicon Valley Bank and Signature Bank of New York. Therefore, IBAT requests this clarification be specifically listed as an exemption.

Thank you for your consideration of our request for clarification.

Sincerely,

[redacted]

Christopher L. Williston, CAE
President and CEO