

From: Herpel, Tom <THerpel@arundelfederal.com>
Sent: Monday, July 17, 2023 3:27 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 comments on special assessments following the systemic risk determinations announced after the failures of SVB and SBNY and the related exemption of community banks under \$5 Billion.

I am the President and CEO of Arundel Federal Savings Bank, a \$450 million community bank located in Glen Burnie, MD. We primarily provide real estate loans, both residential and commercial, to our surrounding communities, within the state of Maryland. I strongly support the FDIC's proposal to limit special assessments to the 113 large banking organizations that hold sizeable amounts of uninsured deposits.

Arundel Federal Savings Bank operates in extreme contrast compared to SVB and SBNY. Uninsured deposits account for a very small fraction of our total deposits as over 95% are retail deposits from local depositors. We use these community deposits to reinvest back into the community as loans. We regularly counsel our customers assuring that their deposits are insured. We have minimum uninsured deposits and operate following a safe and sound business model. We do feel that smaller community banks like ours should not be burdened with the special assessment to replenish the Deposit Insurance Fund, since we do not follow risky business practices and the speculative decision-making that caused these large institutions to fail. We should be excluded from the strain of the special assessment.

I personally want to thank the FDIC for avoiding a one-size-fits-all approach to the special assessment and urge them to exempt community banks from the special assessment. On behalf of our Board of Directors and myself, we encourage the FDIC to finalize its rulemaking as proposed. Finally, I would like to thank the FDIC for the opportunity to submit comments on the proposed special assessments.

Sincerely,

Thomas N. Herpel
President/CEO



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