



July 18, 2023

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 writing regarding the FDIC's proposal to exempt community banks under \$5 billion from the special assessments following FDIC's systemic risk determinations announced after the closures failures of Silicon Valley Bank (SVB) and Signature Bank (SBNY).

I am the President and Chief Executive Officer of KS Bank, Inc., \$587 million community bank, headquartered in Smithfield, North Carolina. KS Bank is a full service community bank that serves a diverse mix of businesses and individual customers in the five county region southeast of Raleigh, North Carolina, and has been serving the citizens of eastern North Carolina since 1924. KS Bank offers a broad range of personal and business banking products and services, mortgage products, and trust services. From a lending perspective, the bank primarily focuses on one-to-four family residential and commercial real estate lending. In addition, the bank serves small businesses by partnering with SBA and NC Rural Center for small business start-up capital. Our loans and deposits are made up of a variety of different business and individuals, which limits our exposure and our risk to any one singular industry.

KS Bank and other community banks under \$5 billion in assets should not be responsible for subsidizing the outsized risk large banks pose to the financial system. Ninety-four (94%) of SVB's total deposits were uninsured, and 90% of SBNY's deposits were uninsured. KS Bank operates a safer and sound business model, and is not overly concentrated in uninsured deposits. Less than 21% of our deposits are uninsured deposits.

I applaud and 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. Our community bank *should not be required* to pay any special assessment for the systemic risk determinations.

Thank you for avoiding a one-size-fits-all approach to the special assessment, and exempting community banks from the special assessment, and for allowing me the opportunity to submit comments on the proposed special assessments. *I highly encourage the FDIC to finalize its rulemaking as proposed.*

Sincerely,



KS BANK, INC.

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Earl W. Worley, Jr.
President/Chief Executive Officer

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