

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 submitting this letter in response to the FDIC's request for comment on special assessments following the systemic risk determinations announced after the failures of SVB and SBNY.

I am the President and CEO of the First National Bank of Absecon, a \$184.4 million community bank located in Absecon, New Jersey. Since March 20, 1916, First National Bank of Absecon has provided a stress free and straightforward banking relationship in the Southern NJ communities we serve.

I applaud 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.

Our business model is relationship-based community banking, which is vastly different from the risky SVB and SBNY models that were reliant on uninsured concentrated deposits as funding sources. We have successfully navigated all 12 of our nation's documented economic recessions, as well as The Great Depression. We believe it's this experience that differentiates the First National Bank of Absecon from the banks identified for the systemic risk determinations given to SVB and SBNY. Our strength is providing core-banking services in a very personal, stress free and ethical manner along with maintaining a complete understanding of the ever-changing markets which we serve.

Based on our business model, capital and balance sheet structure which is positioned for the long-term rather than short-term gains, we are not part of the concentrated uninsured deposits and systemic risky larger banks. Therefore, it is our position we should not be responsible for subsidizing the outsized risk larger banks pose to the financial system.

Any special assessments applied to our bank would negatively impact income resulting in measures to offset the increased expense including passing higher assessment costs to customers or taking other drastic measures to offset this increased cost.

As a local relationship-based community bank our focus is on redeploying our customers' deposits into the community as our customers expect and deserve – not serving as a backstop or bailout for the reckless practices of large banks like SVB and SBNY.

I'd like to thank the FDIC for avoiding a one-size-fits-all approach to the special assessment, and exempting community banks from the special assessment. I encourage the FDIC to finalize its rulemaking as proposed.

I thank the FDIC for the opportunity to submit comments on the proposed special assessments.

Sincerely,



C. Eric Gaupp
President & CEO
First National Bank of Absecon