

From: Lawrence Friedman [REDACTED]
Sent: Wednesday, July 19, 2023 6:40 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:

This letter is in response to the FDIC's request for comment on special assessments following the systemic failures of SVB and SBNY, and the FDIC's proposal to exempt community banks under \$5 billion from the special assessment.

I am an independent Director of Devon Bank, a \$500 million community bank located in the Chicago metropolitan area. Devon Bank serves a diverse population and has a major focus on meeting the faith-based banking needs of the community that it serves.

I congratulate the FDIC on its 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. I encourage the FDIC to finalize its rule as proposed.

SVB and SBNY exposed the United States banking system to untoward risk due in significant part to their practice of maintaining predominantly uninsured deposits. In the case of SVB, approximately 94% of its total deposits as of the end of 2022 were uninsured and in the case of SBNY that number was approximately 90%. In contrast, as of June 30, 2023, only 24% of Devon Bank's deposits were uninsured, a far safer and sound business model.

Community banks such as Devon Bank should not be responsible for the enormous risks of significantly larger banks, such as SVB and SBNY. Sharing the responsibility and cost of such

oversized risks is unfair to Devon Bank and other community banks and will adversely affect our collective ability to meet the needs of our communities and customers.

The FDIC is to be commended for avoiding a one-size-fits-all-approach and I sincerely thank you for your wisdom in exempting community banks from the special assessment.

With great respect and thanks, I thank you for finalizing your rulemaking as proposed.

Sincerely,

L. M. Friedman

Lawence M. Friedman