



ICBA

INDEPENDENT COMMUNITY BANKERS ASSOCIATION OF NEW MEXICO

NEW MEXICO

July 21, 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:

In response to the FDIC's request for comment on special assessments following the systemic risk determinations made after the failures of Silicon Valley Bank and Signature Bank of New York, I am submitting this letter on behalf of the Independent Community Bankers Association of New Mexico (ICBA/NM).

ICBA/NM is dedicated to advocating for independently owned and operated community banks in New Mexico, which collectively hold over \$17 billion in assets. New Mexico's community banks are vital to our diverse communities, serving consumers, and the small businesses and agriculture sectors. It is important to differentiate between large banks that pose systemic risk to the financial system and small community banks that play a significant role in our distinct economic system.

As the President & CEO of ICBA/NM, and on behalf of our community banking members, we fully support the FDIC's proposal to grant an exemption from the proposed special assessment to community banks with less than \$5 billion in assets. We applaud the FDIC for their efforts to ensure fairness and believe this approach is the right one. We strongly urge the FDIC to finalize its rulemaking as proposed, and maintain this exemption, as there is a fundamental distinction between small community banks and larger banks that have the potential to pose greater systemic risk to the bank.

It would be unjust to burden New Mexico community banks with subsidizing the risk posed by larger banks to the financial system. Our community banks are vital to the communities, their customers, and the small businesses they serve. Imposing special assessment fees on community banks to offset the behavior of riskier institutions would have a detrimental impact on the income of community banks and could force these smaller institutions to mitigate the impact by passing these costs onto their customers or resort to drastic measures to counteract these increased expenses. The impact and the cost of the risky behavior of larger institutions would be felt by all.

Thank you for your consideration regarding these important policy issues that affect the community banking industry not only here in New Mexico but across the country.

Regards,

Chris Moya
President & CEO

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1501 San Juan Blvd., Ste. 201 Farmington, NM 87401 Phone: (505) 327-2151 E-Mail: info@icbanm.org