



**VIA EMAIL**

October 4, 2021

Mr. James P. Sheesley  
Assistant Executive Secretary  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington, DC 20429.  
Attention: Comments RIN 3064–AF27  
[comments@fdic.gov](mailto:comments@fdic.gov)

**RE: FDIC Proposal on Simplification of Deposit Insurance Rules, RIN 3064–AF27**

Dear Mr. Sheesley:

The Wisconsin Bankers Association (WBA) is the largest financial trade association in Wisconsin, representing over 200 state and nationally chartered banks, savings banks, and savings and loan associations located in communities throughout the State. WBA appreciates the opportunity to comment on the Federal Deposit Insurance Corporation's (FDIC's) proposed amendments to its regulation governing deposit insurance coverage.

FDIC stated in its release that the proposed amendments are principally intended to (1) provide depositors and bankers with a rule for trust account coverage that is easy to understand and (2) to facilitate the prompt payment of deposit insurance in accordance with the Federal Deposit Insurance Act. WBA supports those objectives and offers the following for FDIC's further consideration.

By implementing the proposed changes, WBA believes FDIC's proposal would simplify the current complex rules for revocable and irrevocable trusts accounts. In particular, customers and bankers would no longer need consider non-contingent interest of beneficiaries, nor need consider whether the trust is revocable or irrevocable when making deposit insurance calculations.

With respect to recordkeeping of beneficiary information of formal revocable and irrevocable trusts, Wisconsin law provides protections for persons working with trustees in that a person other than a beneficiary (*i.e.*, a bank) who in good faith assists a trustee, or who in good faith and for value deals with a trustee, without knowledge that the trustee is exceeding or improperly exercising the trustee's powers is protected from liability as if the trustee properly exercised the power.<sup>1</sup> Further, instead of furnishing a copy of the trust instrument to a bank, Wisconsin law allows the trustee to furnish a certification of trust containing the information as required by the statute. Beneficiary information is not included.<sup>2</sup> Based upon the presumption and documentation provided by Wisconsin law, most banks in Wisconsin will not have trust beneficiary information on file at the bank for formal revocable and irrevocable trusts.

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<sup>1</sup> See §701.1012 Wis. Stats.

<sup>2</sup> See §701.1013 Wis. Stats.

Separately, for informal trust accounts, Wisconsin banks will have payable on death beneficiary designation documentation on file and within operating systems. Because of this standard and operation, WBA recommends FDIC provide an example to clarify that where a grantor has established both an informal payable on death beneficiary designation beneficiaries and a formal trust account, the bank need only maintain the beneficiary information for the informal payable on death account and not the formal trust account; the formal trust account still qualifies for the alternative recordkeeping procedures under FDIC's Part 370. Wisconsin banks should not be made to lose the presumption and protections available under Wisconsin law.

While the majority of banks in Wisconsin may not be subject to FDIC's Part 370, for those that are, there are significant implementation concerns that FDIC need consider if adopting the proposed amendments. Substantial lead time is necessary for banks to incorporate changes to operating and infrastructure systems, train staff, and update policies and procedures. On behalf of all members, WBA recommends FDIC provide no less than two years before mandatory compliance with new Part 330 rules. WBA also recommends FDIC postpone Part 370 examinations until at least three years after initial certification.

WBA appreciates the efforts of FDIC to consider simplifying deposit insurance coverage calculations for trust accounts to make coverage easier to understand and to facilitate. We appreciate the opportunity to comment.

Sincerely,

A handwritten signature in cursive script that reads "Rose Oswald Poels".

Rose Oswald Poels  
President/CEO