



August 19, 2022

VIA EMAIL

James P. Sheesley, Assistant Executive Secretary
Attention: Comments RIN 3064-AF83
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
Docket No: RIN-3064-AF83
comments@fdic.gov

RE: Proposed Assessments, Revised Deposit Insurance Assessment Rates, Docket ID: RIN-3064- AF83

Dear Assistant Executive Secretary Sheesley,

The Wisconsin Bankers Association (WBA) is the largest financial trade association in Wisconsin, representing nearly 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) proposal to uniformly increase initial base deposit insurance assessment rates by 2 basis points, beginning with the first quarterly assessment period of 2023.

WBA recognizes FDIC's authority under the Federal Deposit Insurance Act to impose deposit insurance assessments. WBA also acknowledges FDIC's intention with the proposal is to increase assessment revenue to build the Deposit Insurance Fund (DIF) used to pay deposit insurance in the event of failure of an insured depository institution and to support growth in the DIF to progress towards the 2 percent Designated Reserve Ratio.

WBA and its members support a resilient DIF. However, the 2 basis point increase at this time is a significant cost. WBA members have shared it will be difficult to afford the proposed raise in assessment; even more so if and when there is an economic downturn. WBA members have shared that the proposal will result in reduced product and service offerings, sluggish deposit rates, and higher or new fees to customers as a means to offset the cost associated with the increase in assessment.

Wisconsin's community banks remain leaders in their communities having helped customers through the pandemic and with the current, ongoing recovery. As a result of those efforts, many Wisconsin banks' deposit ledgers remain inflated primarily due to funds remaining on deposit from customers participating in the Small Business Administration's (SBA's) Paycheck Protection Program (PPP) and the various pandemic recovery programs implemented by Congress, such as the CARES Act. Wisconsin's banks should not be penalized by being assessed higher deposit assessments from FDIC due to deposit growth resulting from government actions.

The increased rate will make it extremely difficult for Wisconsin's banks to continue to meet their communities' needs. Additionally, the proposed hike is especially hurtful to well capitalized

community banks whose current assessment rates are below the average annual rate of 3.7 basis points.

WBA believes FDIC's proposal is premature and should not be implemented. WBA members have reported that high deposit balances, created more by governmental subsidy programs than by bank-generated deposit growth, have begun to runoff. Increased costs and the further tightening of the economy overall will drive many deposits lower yet. WBA recommends FDIC further monitor deposit runoff before implementing a universal assessment increase.

WBA appreciates the opportunity to comment on FDIC's proposal.

Respectfully,

A handwritten signature in black ink, reading "Rose Oswald Poels". The signature is written in a cursive, flowing style.

Rose Oswald Poels
President/CEO