



November 15, 2024

**SUBMITTED ELECTRONICALLY VIA [www.FDIC.gov](http://www.FDIC.gov)**

James P. Sheesley  
Assistant Executive Secretary  
Federal Deposit Insurance Corporation  
550 17th Street NW  
Washington, DC 20429

Re: Notice of Proposed Rulemaking, Unsafe and Unsound Banking Practices:  
Brokered Deposits Restrictions (RIN 3064–AF99)

Dear Mr. Sheesley:

Celtic Bank (the Bank) appreciates the opportunity to comment on the Federal Deposit Insurance Corporation's (FDIC) advanced notice of proposed rulemaking (ANPR) on brokered deposits and interest rate restrictions. The Bank respectfully requests that the Federal Deposit Insurance Corporation withdraw the proposed rulemaking relating to the FDIC's brokered deposit restrictions.

As noted in responses by the American Bankers Association and many others, we are concerned that the brokered deposits proposal would limit funding sources, significantly alter the FDIC's brokered deposit framework, and reverse statutory interpretations without sufficient or transparent data, or robust rationale.

Further, we respectfully suggest that the FDIC work to remove the regulatory stigma against brokered deposits. Celtic Bank was issued an Industrial Loan Corporation (changed in 2004 to "Industrial Bank") Charter in 2001 by the State of Utah. Since Industrial Banks are not allowed to offer demand deposits, they are often primarily funded with brokered deposits. At the beginning of the financial crisis, non-core deposit funding of the Bank represented well over 90% of total deposits. The Bank has maintained brokered deposits as its primary funding source throughout the financial crisis, through the pandemic, and to the current day. Although the Bank experienced a significant amount of regulatory pressure regarding the possibility that banks could very likely be denied access to this type of funding, the reality was that Celtic Bank never experienced reticence of any kind on the part of deposit brokers to provide access to such deposits during the worst financial crisis since the Great Depression. In addition, because of the standard brokered deposit contract through the Depository Trust Corporation, these deposits are among the most "sticky" of all deposits, since the only way for a depositor to take an early withdrawal is to die or be adjudicated incompetent.

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Again, the Bank respectfully requests that the Federal Deposit Insurance Corporation withdraw the proposed rulemaking relating to the FDIC's brokered deposit restrictions. If you have any questions concerning this comment letter or would like the Bank to provide additional information, please do not hesitate to contact us.

Respectfully submitted,

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Todd Boren  
President, Celtic Bank

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Reese Howell, Jr.  
Chairman and CEO