



**Chickasaw
Community
Bank**

ccb.bank

November 21, 2024

Mr. James P. Sheesley
Assistant Executive Secretary
Attention: Comments—RIN 3064-AF99
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

RE: FDIC's proposed rule relating to 'Unsafe and Unsound Banking Practices: Brokered Deposits Restrictions' ie. the 'Proposed Rule'.

To Mr. Sheesley,

Chickasaw Community Bank (CCB), located in Oklahoma City, OK, is a \$415MM Minority Deposit Institution, and is wholly owned by the Chickasaw Nation, a federally recognized Native American tribe. CCB has a long history of providing financing for affordable housing to Native Americans by way of the HUD-184 program and is the number one originator of these loans in the country. As Native Americans have some of the lowest home ownership rates of any demographic, this is an appropriate, necessary and equitable way to utilize bank liquidity and capital. Chickasaw Community Bank also has funded programs to Native American Business owners through the help of the Bureau of Indian Affairs and Small Business Administration loan guaranty programs.

Chickasaw Community Bank opposes this proposed rulemaking due to the restrictions it will place on funding sources. To fund these specific loans in the future, CCB may need to utilize different sources of funds, and any restriction of funding sources may be detrimental to the bank and the communities we serve. In addition, the Proposed Rulemaking does not address that a further restriction of liquidity could hamper community bank's contingent funding plans during unexpected events. Community Banks already face hurdles in obtaining liquidity from the market as non-bank FinTechs continue to take market share, and further restricts liquidity access to credit and depository services.

The change in definition of 3rd parties will reclassify certain deposits as "Brokered Deposits" and will at some point impose additional costs on community banks, which could lead to increase costs to consumers. Primarily, should this reclassification take effect, CCB is concerned that the increased costs associated with significant CAMELS downgrades to liquidity could occur for banks who have sticky, long term, stable and well diversified deposits from third parties. This action could also have banks 'price out' these customers in fear of possible CAMELS downgrades, who may turn to non-bank alternatives ie. Credit Unions and FinTechs and leave the community banking system altogether. This could in turn increase the cost of funds as banks scramble towards increasing rates to retain and attract money to plug the liquidity holes previously funded by these reclassified deposits. Large financial institutions may benefit from just being able to maintain ratios of non-brokered deposits, and this would be detrimental to the industry as this would accelerate already concerning levels of consolidation in the community banking sector.

Finally, the change in reclassification from exceptions from 25% of customer assets for a particular business line to 10% of total assets under management, may restrict community banks from accessing liquidity from state and local governments. State statutes generally require these public institutions to bank within the state. The proposed 10% test could result in community banks having to report higher volumes of brokered deposits, even though these do not pose the same risk nor have the same profile as true brokered deposit.

Overall, Chickasaw Community Bank believes the changes in the proposed rulemaking are detrimental to community banking and will create excessive and unnecessary costs and consolidation within our industry.

Thank you,



Bill Schonacher
President & CEO
Chickasaw Community Bank