



Michigan Bankers Association

*Our Mission:
Advocating for and
supporting banking.*

*Our Purpose:
Empowering the
voice of banking
through connections,
growth, dreams and
innovations for
communities to thrive.*



November 21, 2024

Martin Gruenberg
Chairman
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

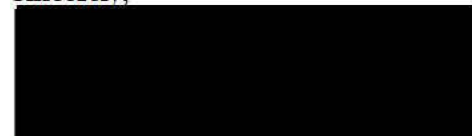
Dear Chairman Gruenberg:

The Michigan Bankers Association, and the 98 member banks in our membership, are writing to share commentary on the proposed changes to the FDIC’s brokered deposit rule. In addition to the letter from the American Bankers Association and our fellow state banking associations, we have deep concerns, noted below, and request withdrawal of the NPR.

Our banks have shared that this rule, as proposed, would most definitely result in currently non-brokered deposits, being reclassified, increasing costs for depository insurance assessments and potentially negatively impacting liquidity ratings – with little to no evidence that these deposits present any enhanced risk. Additionally, we are troubled by the reversal of much of the 2020 rule’s changes. without justification for the about face or acknowledgment of the costs, disruption, and widespread inconsistency this change would represent.

On behalf of our 98 member banks, we ask the FDIC and its leadership to seriously consider the impact of the of unnecessary rulemaking of recent years. Two important aspects of the Administrative Procedure Act were to ensure public participation in the process and prescribe uniform standards for the conduct of formal rule making. The sheer breadth and depth of what the banking industry has seen in recent years is overwhelming, with many banks finding it challenging to be able to digest and determine impact to their organization and customers much less provide open comment.

Sincerely,



Patricia Herndon
Chief Policy Officer