



To: comments@fdic.gov

Subject: Comment Request– RIN 3064-AF99

Dear Mr. Sheesley,

On behalf of the Oakdale Area Chamber of Commerce in Minnesota, I am writing to express our strong opposition to the FDIC's proposed changes to the 2020 rules on brokered deposits. Our chamber represents a wide range of small businesses, local entrepreneurs, and community stakeholders, many of whom rely on the support of community banks for their financial needs. We believe that these proposed changes will create unnecessary burdens on local financial institutions and ultimately harm the businesses and communities that rely on them.

The current 2020 rules on brokered deposits provided clarity and flexibility for community banks, enabling them to responsibly work with innovative third-party financial services platforms to support small businesses, homeowners, and local economic growth. The stable depositors they acquire from these tools are a key funding source that allows community banks to provide affordable loans and lines of credit to small businesses and entrepreneurs—groups that are essential to job creation and economic resilience in our communities. The proposed restrictions would severely limit the ability of these banks to access essential funding, thereby reducing their lending capacity and increasing costs for local borrowers.

Community banks are lifelines for small businesses in suburban areas like Oakdale, and diverse funding options are critical to support our community's continued economic growth. Our members frequently choose community banks not only for their personalized service but because these institutions understand the unique economic conditions and challenges in the eastern metro. By unfairly penalizing local banks, the FDIC's proposed rule will significantly hinder their ability to meet local needs, forcing many small businesses to either delay growth or, in some cases, close their doors.

The FDIC's concerns are misplaced and unfounded. The existing regulations have fostered more innovation and competition in the banking sector and strengthened their financial health. The proposed changes would unnecessarily increase the regulatory burden on community banks without providing any substantial benefit to the financial system's safety and stability.

We urge the FDIC to reconsider these proposed changes and maintain the 2020 rules, which have allowed community banks to operate effectively and serve their communities responsibly. The current rules strike the right balance, allowing community banks to access a stable source of funding, supporting both the banks and the communities that rely on them.

Sincerely,

A black rectangular redaction box covers the signature of Marc Cove.

Marc Cove

Board Member, Oakdale Area Chamber of Commerce