

November 20, 2024

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

Dear Mr. Sheesley:

I am the President and CEO of People's Bank of Commerce ("Bank"), an \$800 million asset community bank located in Medford, Oregon. I am writing to express my serious concerns regarding the FDIC's proposed rule relating to Unsafe and Unsound Banking Practices: Brokered Deposits Restrictions (the "Proposed Rule"). If finalized as drafted, we believe the Proposed Rule will harm community banks and our customers. We encourage the FDIC to withdraw this proposal.

People's Bank is a full-service community bank whose focus over its 26-year history has been to serve the loan and deposit needs of consumers and small businesses within our geographic market area in the State of Oregon.

Throughout the bank's history, brokered deposits have provided a stable source of funding at times when competition from large investment banks, as well as market conditions, has made it challenging to grow core deposits. The Bank has not relied heavily on brokered deposits as a source of funding but as a complement to deposits when merited. With this in mind, People's Bank is opposed to the proposed amendments to the brokered deposit rule due to the following:

- Banks that choose to partner with or utilize third party relationships to access diverse sources of funding, manage costs, and maximize deposit insurance coverage or provide other services for their customers should not be penalized as accepting "brokered deposits."
- I am deeply concerned by the FDIC's proposal to rescind all approved PPE applications and notices. This is a punitive approach that is designed to target certain relationship models but that captures every approved PPE regardless of model or demonstrated risk.
- If the FDIC believes a specific bank and its third party to pose unnecessary risks, it should follow its supervisory processes with respect to that single institution and its third party rather than rewrite the brokered deposit rules for the entire industry.
- Requiring IDIs to reapply for PPEs that the FDIC approved only a few years ago is an unnecessarily burdensome and costly exercise for community banks that will also increase the volume of PPE applications and notices the agency must process. Approved exceptions should remain in place.
- The FDIC should not force community banks to reapply for PPE and incur operational costs to reassess on-



balance/off-balance sheet strategies and engage outside counsel to reassess partnerships, submit new applications, amend existing agreements and draft new contracts.

I would like to close by thanking the FDIC for allowing the opportunity to comment on the proposed rule.

Yours sincerely,



Julia Beattie
President & CEO

