

**From:** [Matt Verdoorn](#)  
**To:** [Comments](#)  
**Subject:** [EXTERNAL MESSAGE] August 23, 2024 Unsafe and Unsound Banking Practices: Brokered Deposits Restrictions; Comment Request (RIN 3064-AF99)  
**Date:** Wednesday, November 13, 2024 8:03:21 AM

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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 Chief Financial Officer of Reliance Bank, a \$280 million community bank located in Faribault, MN. I write today to express concerns regarding the FDIC's proposed rule relating to Unsafe and Unsound Banking Practices: Brokered Deposits Restrictions (the "Proposed Rule"). It is my understanding that the Proposed Rule will be another hurdle that community banks will need to jump as we do our best to serve our customers. It is my request that the FDIC withdraw this proposal.

Reliance Bank serves a mid-size town and the surrounding communities in Southern Minnesota. As do most towns, we have customers of all levels of deposit balances. The first-time customer with and ITIN all the way to the national business owner with millions in deposits. We serve both customers to the best of our ability with the tools that are available. Whether a customer has \$50 in our bank or \$5,000,000, they each want to be sure that their money is safe with us and that is where we find the value in the FDIC. The ability to serve the \$5 million customer through services such as Intrafi (ICS and CDARS) we can provide a level of protection that our customer values. Most of our customers that have balances more than FDIC insurance limits do not participate in this program, I say this as I believe it shows that our customers believe in us. They see us as being there for them and they see us as a solid partner who is going to be around for the next 5, 50, and 100 years. But for those customers who have very low risk thresholds we are glad to have access to reciprocal deposits.

I am also concerned with impact The Proposed rule will have on our bank's (and all community bank's) access to diverse funding. I say this both as a provider of these funds as we have sold deposits through a "One Way Sell" program and as a potential purchaser of these funds.

The expense to operate any business continues to increase and community banks continue to run on very tight margins. We do our best to find any advantage we can take and do our best to serve our communities and customers. 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." Instead of paying extra for what we still consider "core" deposits, we would rather be able to use those dollars making an impact on our local community.

Thank you for your time.

Matt Verdoorn

Chief Financial Officer  
Reliance Bank  
"Real, Responsive, and Reliable"

