



ORANGE COUNTY HISPANIC CHAMBER OF COMMERCE

September 27, 2024

Dear Mr. Sheesley,

My name is Reuben Franco, and I am the President and CEO of the Orange County Hispanic Chamber of Commerce (OCHCC) in California. Established in 1986, OCHCC has been a cornerstone for minority business development in Orange County for over two decades. OCHCC collaborates with small and mid-sized businesses, public and private entities, and large corporations, focusing on economic growth and community success. As an affiliate of the California Hispanic Chamber of Commerce and the United States Hispanic Chamber of Commerce, we are committed to supporting businesses through workforce development initiatives and fostering a thriving local economy.

Successful entrepreneurship depends, in part, on reliable access to lending from local banks. To effectively grow and meet the changing financial needs of Californians, community banks rely on attracting a variety of deposit sources to serve their customers effectively. However, the recent proposal by the FDIC could disrupt the stable, innovative partnerships that have helped local banks stay competitive and support regional economic development throughout Southern California. For community banks, these partnerships, which are unfairly being labeled as brokered deposits, are crucial to underwriting loans and supporting our members and their local businesses.

As banking evolves, diversified funding helps these banks remain financially strong. Consumers today want greater choices in selecting their financial services, and unique partnerships give local banks cost-effective access to marketing and technology that might otherwise be out of reach. By limiting their access to these sources of deposits, the FDIC is tying one hand behind the backs of community banks trying to compete in a hypercompetitive marketplace.

On behalf of Orange County's growing minority business community, we implore the FDIC to rescind this proposal. The current regulations have cultivated a vibrant environment of creative collaborations without injecting any additional risk into the financial system. There is no clear reason why these regulations are needed, and the FDIC should redirect its attention to other proposals that would more directly protect the investments of hardworking Americans.

Sincerely,



Reuben Franco
President & CEO
The Orange County Hispanic Chamber of Commerce



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