THE DIME BANK

October 2, 2024

Re: Comment Request– RIN 3064-AF99

Dear Mr. Sheesley,

My name is Peter Bochnovich, and I am the president and CEO of The Dime Bank in Northeast Pennsylvania. Our institution is run like a close-knit family, with a rich history that spans almost 120 years. Our employees are rooted in our community, and we've had the great pleasure of supporting over 150 non-profit service organizations in Wayne, Pike, and Lackawanna Counties. On behalf of our employees and customers, I am writing to express my firm opposition to the FDIC's proposed rule on brokered deposits. This regulation is not only unnecessary but poses a significant threat to the stability and competitiveness of community banks across the country. The Dime Bank and many others like us across the country play a crucial role in supporting small businesses, homeowners, and our local economies, which could all be impacted by this rule.

In today's competitive environment, many local community banks wouldn't have the resources to support the demand for lending without partnering with experienced, innovative financial platforms that help bring new depositors to local banks. They enable us to extend loans to small businesses, provide mortgages to local families, and offer financial products that help our communities grow. By rolling back the existing rules established in 2020, the FDIC is effectively cutting off one of the key financial tools that allow community banks to meet the needs of their customers. This regulation will force banks to limit lending, raise interest rates, and reduce access to credit—ultimately harming the very people we exist to serve.

The proposed rule is a misguided reaction to the 2023 bank failures without sufficient evidence to justify such heavy-handed regulation. The existing rules provided much-needed clarity to the financial system, fostering innovation without posing the systemic risk the FDIC claims.

Community banks, which operate on relationships and local knowledge, use these deposits to prudently manage liquidity and ensure we can meet the needs of our customers. Imposing blanket restrictions based on hypothetical risks will only hurt smaller institutions, giving large national banks an even greater advantage, while community-focused banks are left struggling to compete.

The fallout from this rule would be severe. Community banks already operate in a challenging regulatory environment, and further restrictions would force us to curtail lending to small businesses, farms, and homeowners. This will stifle growth in rural and suburban areas where access to credit is often already limited. Moreover, the loss of competitive flexibility for community banks will leave local businesses and families with fewer choices, higher borrowing costs, and less personal service.

I strongly urge the FDIC to reconsider this misguided proposal. Community banks are the backbone of local economies, and we rely on innovative financial solutions to provide the essential services that keep those economies thriving. Additional regulation in this area will only do more harm, and I urge the FDIC to adopt a more balanced approach that supports responsible banking without undermining the institutions that serve Main Street.

Sincerely,

[redacted]

Peter Bochnovich
President and CEO