



September 19, 2025

DAVID LACY
PRESIDENT & CEO

Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

RE: Comments on Proposed Rule to Amend part 363 (FDIC RIN 3064-AG15)

Dear Sir or Madam:

On behalf of Community Bank & Trust, a \$625 million-asset community bank headquartered in Waco, Texas, I appreciate the opportunity to comment on the FDIC's proposed rule to raise several asset-size thresholds under 12 CFR Part 363.

We strongly support the proposed changes to Part 363, including:

- Raising the general applicability threshold from \$500 million to \$1 billion;
- Raising the internal control over financial reporting (ICFR) threshold from \$1 billion to \$5 billion; and
- Raising the thresholds for audit committee composition from \$500 million to \$1 billion, and from \$1 billion and \$3 billion to \$5 billion.

These proposed adjustments are appropriate and necessary for several reasons:

1. **Alignment with Industry Growth and Inflation:** Since the original adoption of Part 363, the banking industry has experienced substantial growth in average asset size. Adjusting the thresholds ensures that regulatory requirements remain proportionate to the risk profile of institutions and reflect today's banking environment.
2. **Regulatory Burden Relief for Community Banks:** Traditional community banks like ours operate with limited staff and resources compared to larger institutions. Raising these thresholds will help reduce disproportionate compliance costs while allowing us to devote more resources to serving our customers and communities.
3. **Maintaining Safety and Soundness:** The proposed increases do not compromise safety and soundness. The enhanced thresholds still provide appropriate oversight for larger institutions while giving traditional community banks flexibility to manage governance and reporting obligations in a cost-effective manner.

We commend the FDIC for recognizing the importance of right-sizing regulatory requirements and for modernizing Part 363 in a way that better reflects today's industry landscape.

Thank you for the opportunity to comment on this important proposal. Our bank, Community Bank & Trust, supports its adoption and implementation.

Yours very truly,

David Lacy
President & CEO