

From: [Tom Holt](#)
To: [Comments](#)
Subject: [EXTERNAL MESSAGE] August 23, 2024 Unsafe and Unsound Banking Practices: Brokered Deposits Restrictions; Comment Request (RIN 3064-AF99)
Date: Thursday, November 14, 2024 2:50:47 PM

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 writing on behalf of the First Northern Bank of Wyoming (FNBW). We are a \$850MM community bank which happens to be the oldest bank in Wyoming having been chartered in 1885 (prior to statehood) serving the needs of our diverse customer base for nearly 140 years in Northeastern Wyoming. I am the president of the bank's holding company. As you are well aware, deposits are our means of serving our customers and communities. We are not in business without them and they are not always easy to generate given the ultra-competitive environment in which we operate.

Bank liquidity is paramount and having sources available for seasonal use and/or balance sheet management is extremely important. The use of brokered deposits is simply another resource available to banks amongst a handful of options. We are very concerned that some of the changes as proposed will have a negative impact upon our bank and our ability to serve our customers. For example, we act as the primary deposit bank for many public entities which could be jeopardized within the framework of the proposed changes. This in addition to potential higher FDIC premiums and regulatory scrutiny.

Community banks across this country all have different levels and types of customer classes on the deposit side. And as a result, all have varying levels of associated risks. We understand fully that operating to a large extent on non-core deposits (for which defining is not always black and white) will add a level of risk to a bank's operating environment and needs to be monitored and assessed as appropriate for each bank. These risks should be monitored and assessed by bank management and regulators with appropriate testing, policies, and procedures in place to mitigate those risks. Lines in the sand metrics on the regulatory front are not appropriate in the community bank space for truly addressing the risk associated with deposit mix. Each bank operates in different environments and needs to have the flexibility to manage their balance sheet in a way to most effectively serve their customers and communities. The risks associated with any deposit concentration needs to be addressed within the bank's risk management framework because lines in the sand metrics will never fully address the true risk and can actually make it difficult for the bank to manage its balance

sheet in the most efficient manner.

We hope you will reconsider the proposed changes as we are concerned they will be burdensome, costly, and ultimately unneeded. Thank you.

Sincerely,

Thomas A. Holt

President

First National Buffalo Bankshares, Inc.

Phone 307.684.2211 | Toll Free 800.766.3641 | Fax 307.684.5265
tholt@firstnorthern.bank | <http://www.firstnorthern.bank>