

Steve Gramling  
Vice Chairman  
First Western Bank



Date: August 19, 2025

Via Electronic Submission

Mr. James P. Sheesley  
Assistant Executive Secretary  
Attention: Comments  
Federal Deposit Insurance Corporation  
550 17th Street NW  
Washington, DC 20429

**Re: Comments in Support of the Proposed Amendments to Part 363 of the FDICIA, RIN 3064-AG15**

Dear Mr. Sheesley:

I am writing to express my support for the Federal Deposit Insurance Corporation's (FDIC) proposed amendments to **Part 363 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA)**, which governs the annual independent audits and reporting requirements for insured depository institutions with assets above certain thresholds.

The proposed changes are a welcome modernization of the regulation and reflect both the evolving landscape of financial institution oversight and the need to balance regulatory burden with effective risk management. In particular, I support the following aspects of the proposed amendment:

**1. Raising the Asset Threshold for Compliance:**

Adjusting the asset-size thresholds for applicability of Part 363 from \$500 million to \$1 billion and from \$1 billion to \$5 billion, reflects more appropriate levels given the impact of inflation since the original passage of the FDICIA in 1991. This change will reduce regulatory burden on smaller institutions while allowing supervisory focus to remain on larger, systemically significant entities.

**2. Clarification and Streamlining of Internal Control Requirements:**


The proposed revisions provide clearer guidance and expectations regarding the assessment of internal controls over financial reporting (ICFR). Aligning ICFR assessments more closely with generally accepted auditing standards and PCAOB (Public Company Accounting Oversight Board) frameworks enhances consistency while reducing unnecessary duplicative efforts.

3. **Promoting Efficiency Without Compromising Safety:**

The proposed amendments retain the spirit of FDICIA's original intent, ensuring safety and soundness through reliable financial reporting, while acknowledging the operational realities of modern community and regional banks. By reducing compliance costs, institutions can redirect resources toward innovation, risk management, and community engagement.

As a bank executive, I appreciate the FDIC's efforts to solicit public input and promote a risk-based regulatory framework. The proposed amendments to Part 363 reflect a thoughtful balance between oversight and operational flexibility, and I urge the FDIC to adopt the changes as proposed.

Thank you for the opportunity to comment.

  
Sincerely,  
Steve Gramling  
Vice Chairman