IBC
International Bancshares Corporation

July 1, 2025

The Honorable Michelle W. Bowman
Vice Chair for Supervision
Federal Reserve Board
20th Street and Constitution Avenue NW
Washington, D.C. 20551

The Honorable Rodney Hood
Acting Comptroller of the Currency
Office of the Comptroller of the Currency
400 7th Street SW
Washington, D.C. 20219

The Honorable Travis Hill
Acting Chairman
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, D.C. 20429

Re: IBC Letter in Support of the ABA Joint Trades Letter Supporting FRB, OCC, and FDIC re Indexing Asset Thresholds.

Dear Vice Chair Bowman, Acting Comptroller Hood, and Acting Chairman Hill:

This letter is being submitted by International Bancshares Corporation ("IBC"), a publicly traded, multi-bank financial holding company headquartered in Laredo, Texas. IBC maintains 166 facilities and 25 ATMs, serving 75 communities in Texas and Oklahoma through five separately chartered banks ranging in size from approximately \$490 million to \$9.5 billion, with consolidated assets totaling over \$16 billion. IBC is one of the largest independent commercial bank holding companies headquartered in Texas.

IBC is submitting this letter in support of, and in agreement with, the joint state association letter to federal banking regulators filed by the American Bankers Association (the "ABA") on June 27, 2025 (the "Letter"), published on behalf of itself and other trade associations representing credit unions, community banks, and both large and small financial institutions that serve hundreds of millions of American consumers, expressing united support to prioritize the indexing of supervisory asset thresholds. IBC wishes to reiterate the Letter and urge the federal banking regulators to reconsider the outdated index supervisory asset thresholds and implement indexing to ensure the standards reflect the broader economy.

As the Letter highlights, indexing plays a crucial role in maintaining the relevance and effectiveness of regulations over time, particularly in the face of inflation and economic growth. Banking is one of the most heavily regulated industries in the United States due to its key role in the economy. All banks are subject to numerous regulations regardless of size. Overtime, with the growth of the banks and the economy, it is imperative to adjust for inflation. For example, banks under an inflation-adjusted threshold are exempt from reporting requirements under the Home Mortgage Disclosure Act.[1] Additionally, banks below certain inflation-adjusted thresholds are classified as small banks and intermediate small banks, making them eligible for evaluation frameworks under the Community Reinvestment Act.[2] However, many thresholds

[1] *See* 12 U.S.C. §2808(b).

[2] Joint Release of Federal Deposit Insurance Corporation and Federal Reserve Board, *Agencies Release Annual Asset-Size Thresholds Under Community Reinvestment Act Regulations,* December 19, 2024,

[redacted]

are not indexed, and as a result, fixed thresholds are continually declining over time in terms of institution size relative to the financial industry.

As the Letter notes, the failure to index has real effects on institutional behavior, strategic growth decisions, and market structure. Internal control assessments, while important for financial integrity, impose disproportionate documentation and attestation costs on smaller banks. These requirements can divert significant resources away from lending. When these requirements were first implemented in 1991, these applied to institutions exceeding $500 million in total assets, capturing approximately 1,000 of the largest banks. Today, after the industry's over twenty-year growth, Federal Deposit Insurance Corporation's ("FDIC") regulatory requirements now extend far beyond the original policy scope. For banks, this leads to heightened capital, liquidity and resolution requirements. For customers, a lack of inflation adjustment leads to a gradual erosion of protections like deposit insurance and other services.

In the past few years, both Congress and the regulatory agencies have proposed alternatives to the current framework. Some of the thresholds are statutory but others, such as the $10 billion thresholds for continuous FDIC examination and for large-bank deposit insurance premiums, exist at regulators' discretion. As noted by Acting Chairman Hill in his recent speech on April 8, 2025, " it is worth exploring whether regulatory thresholds should be raised—and potentially indexed—to reflect inflation and/or macroeconomic and industry growth."[3]

Many regulatory requirements triggered by asset or activity thresholds that are both static and outdated, including the index supervisory asset thresholds. However, these can be revised at the discretion of the federal agency. Moreover, where appropriate, they can and should be indexed to account for economic growth and changes in industry composition.

Thank you for your time and consideration of this critical request, and for your continued efforts to prioritize policies that truly support the financial well-being of millions of American consumers and protect our nation's economy. If you have any questions, please contact the undersigned.

Respectfully submitted,

INTERNATIONAL BANCSHARES CORPORATION

[redacted]

Dennis E. Nixon
President & CEO
International Bancshares Corporation

---

https://www.fdic.gov/news/press-releases/2024/agencies-release-annual-asset-size-thresholds-under-community-reinvestment.

[3] Hill. Travis, *View from the FDIC: Update on Key Policy Issues*, American Bankers Association Washington Summit, April 8, 2025, https://www.fdic.gov/news/speeches/2025/view-fdic-update-key-policy-issues.

ORIGIN ID:SVZA [redacted]
JEFFREY GIFFORD
DYKEMA
WESTON CENTRE
[redacted]
UNITED STATES US

SHIP DATE: 02JUL25
ACTWGT: 0.50 LB
CAD: 253785427/WSXI3600

BILL SENDER

TO **HON TRAVIS HILL**
ACTING CHAIRMAN
550 17TH ST NW

WASHINGTON DC 20429
[redacted]
REF: 30602 709078-000001
INV
PO DEPT

[redacted]

FedEx Express

E

REL#
3785346

THU - 03 JUL 10:30A
PRIORITY OVERNIGHT

TRK#
0201 [redacted]

XA BZSA

20429
DC-US **IAD**

[redacted]