Statement of Vice Chairman Travis Hill on the Special Assessment Notice of Proposed Rulemaking

May 11, 2023

In my view, at a high level, the banks who experienced the largest outflows of deposits following the failure of Silicon Valley Bank (SVB) are generally the banks who benefitted most from the systemic risk exception, and the banks who experienced inflows of deposits are generally the banks who benefited least. The biggest problem with using total uninsured deposits[1] as a metric to gauge who was helped most by the systemic risk exception is that both the banks who experienced the greatest outflows *and* the banks who experienced the greatest inflows all had high volumes of uninsured deposits. The banks who would pay the most under the proposal – both in absolute terms and relative to their regular quarterly assessments – were generally the biggest beneficiaries of the flight to safety following SVB's collapse. Under the proposal, the five banks who would pay the most relative to their regular quarterly assessments, who combined would pay nearly half of the entire special assessment, all experienced deposit *inflows* immediately after the SVB failure.

For those reasons, I will vote against the proposal. I look forward to reviewing the comments. Thank you to the staff for all your work; I appreciate all your engagement with me on this over the past few weeks.

[1] Under the proposal, banks would be assessed based on total uninsured deposits above $5 billion as of December 31, 2022.