

January 22, 2025

Acting Chairman Travis Hill  
Federal Deposit Insurance Corporation  
550 17th Street, NW  
Washington, DC 20429

Dear Acting Chairman Hill,

On behalf of the Independent Community Bankers of America (ICBA)<sup>1</sup> and community banks with nearly 45,000 locations across the country, I extend my sincere congratulations on your appointment as Acting Chairman of the Federal Deposit Insurance Corporation (FDIC).

Community banks serve a unique and indispensable role in our financial ecosystem, providing essential credit to small businesses, families, and farmers while fostering economic growth and resilience. Your leadership comes at a pivotal time for the financial services industry, and we are confident that your expertise will guide the FDIC in its mission to maintain public confidence and stability in the nation's banking system.

Many of the matters outlined in your first statement as Acting Chairman align with ICBA's policy goals, and we look forward to collaborating with you in the coming weeks and months on these objectives, including:

- 1) Promoting Tiered Regulation:** The FDIC should ensure its regulations differentiate between community banks and large, complex financial institutions. Tailored regulation and supervision are critical for preserving the relationship-based approach that defines community banking. The ever-growing regulatory burden falls heaviest on the smallest community banks.
- 2) Withdrawing Problematic Proposals:** The FDIC's recent proposals on brokered deposits and corporate governance are misguided and should be withdrawn. In addition, we support revisions to the 2022 Guidelines for Appeals of Material Supervisory

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<sup>1</sup> The Independent Community Bankers of America® has one mission: to create and promote an environment where community banks flourish. We power the potential of the nation's community banks through effective advocacy, education, and innovation. As local and trusted sources of credit, America's community banks leverage their relationship-based business model and innovative offerings to channel deposits into the neighborhoods they serve, creating jobs, fostering economic prosperity, and fueling their customers' financial goals and dreams. For more information, visit ICBA's website at [icba.org](https://www.icba.org).

Determinations to ensure community banks have access to a more independent review process.

- 3) Supporting De Novo Bank Formation:** Encouraging new bank charters is essential for sustaining a vibrant and competitive banking sector. The FDIC must lower capital requirements for de novo banks and create a more streamlined chartering process and supervisory framework for de novo banks to preserve the United States's uniquely diverse banking system. In addition, the FDIC must improve and streamline its supervision of de novo banks to ensure that compliance burden does not jeopardize their safety and soundness during the de novo period.
- 4) Simplifying Community Reinvestment Act Regulations:** The agencies' 2023 CRA rule creates overly complicated metrics that are unworkable for community banks. Revising and simplifying the rule will enhance clarity and reduce unnecessary compliance costs, allowing community banks to focus more on meeting the credit needs of the communities they serve.
- 5) Streamlining Review of Community Bank Mergers:** ICBA supports replacing the 2024 Statement of Policy on Bank Mergers with a new policy that offers expedited review of community bank mergers that do not increase systemic risk or pose meaningful risks to competition. At the same time, we oppose permitting mergers between very large banks that increase the number of Too-Big-To-Fail institutions.
- 6) Supporting Technology Adoption:** The FDIC should facilitate community bank access to modern technology solutions by fostering partnerships, providing clear guidance on third-party risk management, and addressing growing costs from technology service providers.

In accordance with the directives and spirit of President Trump's recent executive order pausing all new regulations, we look forward to working with you and your staff to right-size the regulatory environment for community banks and ensure the FDIC's bank regulations do not hinder economic growth in local communities. Once again, congratulations on your appointment. ICBA and its member banks are eager to partner with you in fostering a regulatory environment that promotes economic growth, innovation, and stability. Together, we can ensure that community banks build stronger, more resilient communities across America. We look forward to working closely with you and your team in the months and years ahead.

Sincerely,

Rebeca Romero Rainey  
President and CEO