COMMENT LETTER

Adjusting and Indexing Certain Regulatory Thresholds

September 24, 2025
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Jennifer M. Jones, Deputy Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429
RIN 3064-AG15

Re: *Adjusting and Indexing Certain Regulatory Thresholds*

Dear Ms. Jones:

The Conference of State Bank Supervisors 1 ("CSBS") provides the following comments on the Notice of Proposed Rulemaking ("proposal") issued by the Federal Deposit Insurance Corporation ("FDIC") entitled *Adjusting and Indexing Certain Regulatory Thresholds*. 2

CSBS supports the FDIC's efforts to tailor regulation and supervision in a manner that promotes safety and soundness and minimizes undue burden. We appreciate the FDIC considering our recommendation to raise and index the thresholds associated with Part 363 annual independent audit and reporting requirements. 3

The thresholds set forth in Part 363 determine when insured depository institutions must engage an independent public accountant, prepare annual reports on financial condition and internal controls, and establish independent audit committees. These requirements play an important role in promoting transparency and accountability. However, certain Part 363 asset thresholds have not been updated since 1993 or 2005, which has scoped in an increasing number of community banks whose risk profiles have not materially changed over the intervening decades. Adjusting and indexing these thresholds is a practical and appropriate step to help ensure that regulatory expectations remain aligned with institutional size and complexity.

State regulators support the FDIC's proposed revisions to Part 363 asset thresholds. We look forward to continuing our work with the FDIC to promote appropriately tailored regulation and supervision.

Sincerely,

Brandon Milhorn

President and CEO

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  CSBS is the nationwide organization of state banking and financial regulators from all 50 states, the District of Columbia, and the U.S. territories.

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  FDIC, Notice of Proposed Rulemaking, *Adjusting and Indexing Certain Regulatory Thresholds*, 90 Fed. Reg. 35449 (July 28, 2025).

- 3

  See CSBS, Letter Re: *Executive Order 14219 – Modification of Outdated, Burdensome Community Bank Regulatory Thresholds* (May 12, 2025).

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