



# Goodfield

*S t a t e   B a n k*

201 S. Eureka Street

Goodfield, Illinois 61742

Phone 309.965.2221

Fax 309.965.2482

April 26, 2019

Mr. Robert E. Feldman

Executive Secretary

Attention: Comments

Federal Deposit Insurance Corporation

550 17<sup>th</sup> Street, NW

Washington D.C. 20429

Regarding: Unsafe and Unsound Banking Practice [Brokered Deposits] – RIN 3064-AE94

Dear Mr. Feldman:

Goodfield State Bank acknowledges the historic intent of the FDIC's brokered deposit [growth] restrictions and its concerns with how these deposits have been utilized by banks, particularly leading into the recent financial crisis. While we are not attempting to resolve the different viewpoints on the correlation between brokered deposits and bank failures in this letter, we are urging the FDIC to reexamine and modify the brokered deposit restrictions to solve the problems we have identified and avoid the harmful consequences of these regulations on community banks.

The importance of successfully mitigating the harmful impact of Deposit Rate Caps cannot be overstated. The banking industry is now unfortunately characterized by an increasing concentration of assets in the largest and riskiest banks, an excessive regulatory burden which falls disproportionately hard on community banks, unfair competition from credit unions and Farm Credit System (with the support of their "cheerleader" regulators), and the prospect of new Special Purpose National Banks (fintechs) and other non-bank financial service providers not being subject to the same regulations as community banks. We are losing far too many community banks to consolidation from unnecessary regulatory burden and unfair competition which leaves many consumers and businesses without a community bank at the heart of their community.

Goodfield State Bank appreciates the FDIC seeking comments as it comprehensively reviews its' brokered deposit and interest rate regulations. The current problems and consequences of determining the National Rates for the Deposit Rate Caps are numerous and are impacting capital-challenged community banks' ability to grow, thrive and return to being "well capitalized," and are also impacting "well capitalized" bank liquidity during safety and soundness examinations. Goodfield State Bank urges the FDIC to reexamine and modify the brokered deposit restrictions to avoid the harmful consequences of the regulation on community banks.

Thank you for considering our observations and recommendations on this important issue. If you have any questions or require any additional information, please contact me at [cmartin@goodfieldstatebank.com](mailto:cmartin@goodfieldstatebank.com) or (309)965-2221.

Sincerely,

/s/

Chad Martin

President & CEO

Goodfield State Bank