

**Congress of the United States**  
**Washington, DC 20515**

August 14, 2020

Ms. Jelena McWilliams  
Chairman  
Federal Deposit Insurance Corporation  
550 17th Street, N.W.  
Washington, D.C. 20429

**Re: Unsafe and Unsound Banking Practices: Brokered Deposits Restrictions RIN 3064–AE94**

Dear Chairman McWilliams:

We are writing regarding the Federal Deposit Insurance Corporation’s (FDIC) rulemaking to modernize the regulatory framework for brokered deposits. We believe that this rule must ultimately be dynamic enough to keep pace with the evolution of technology and consumer preferences across the banking industry. While we appreciate your efforts to update these outdated regulations, we are concerned that the proposed brokered deposit rule will not fully accomplish these objectives without some adjustments being made before the rule is finalized.

As currently written, we are concerned the “facilitation of deposits” definition is overly broad and would not incentivize partnerships between banks and innovative fintech companies. This rule should be encouraging banks, especially smaller, community banks with limited resources, to utilize third party service providers to attract the types of stable deposits that enable them to make loans back into their communities and fuel economic growth. Whether it be placing deposits into savings accounts, money market accounts, or certificates of deposit, these are all stable sources of funds that do not pose an increased risk to the Deposit Insurance Fund and help banks grow their customer base. In order to unlock the full potential of banking partnerships, the “facilitation” definition should not capture the businesses that do not place, manage or control deposits on behalf of the customer.

We also believe the primary purpose application process needs to be simplified. In its current form, this process could, by some estimates, last at least 4 months before a final determination on a company’s brokered status. This would be needlessly bureaucratic and time consuming for both the FDIC and industry participants alike. In addition to a simplified application process, companies that have already been scrutinized by the FDIC and received advisory opinions should be codified into the final rule in order to minimize market disruptions. This process shouldn’t need to be this cumbersome if the final rule truly creates a bright-line standard for what is considered a brokered deposit.

If the FDIC adopts the brokered deposits rule as proposed, we are concerned that it could have a negative impact within the banking industry. We believe making these common-sense changes to the FDIC brokered deposits rule will allow banks to utilize new technologies to attract a larger depositor base while simultaneously minimizing risk to the Deposit Insurance Fund.

Sincerely,



Roger Williams  
Member of Congress



Vicente Gonzalez  
Member of Congress



Scott Tipton  
Member of Congress



David Scott  
Member of Congress



French Hill  
Member of Congress



Blaine Luetkemeyer  
Member of Congress



Bill Posey  
Member of Congress



Van Taylor  
Member of Congress



Denver Lee Riggleman III  
Member of Congress



William R. Timmons, IV  
Member of Congress



Lance Gooden  
Member of Congress



Brian Fitzpatrick  
Member of Congress



Bryan Steil  
Member of Congress