## CBAI Opposes the Harmful FDIC's Brokered Deposit Rule

In a November 19, 2024, comment letter to the FDIC, the CBAI expressed opposition to this harmful rulemaking. In 2020, the FDIC board approved beneficial revisions to the then-existing overly restrictive brokered deposit rule. Since 2020, the revised brokered deposit rule has not adversely impacted community banks' ability to successfully manage their institutions safely and soundly and with minimal risk to the Deposit Insurance Fund.

The FDIC raised the failures at Silicon Valley Bank, Signature Bank and First Republic Bank as justifications for this rulemaking. However, the unique challenges presented by these banks, while significant, were luckily isolated incidents not caused by brokered deposits.

CBAI highlighted that this rulemaking flies in the face of the recently initiated EGRPRA decennial regulatory review process. The goal of the review is to identify outdated and overly burdensome regulations, terms which precisely describe the proposed rule.

CBAI foresees harmful consequences resulting from this misguided rulemaking and strongly urges the FDIC to withdraw the flawed proposed rule.

**Read CBAI's Comment Letter »**

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