Ireland Bank
THERE IS A DIFFERENCE™

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation

Mr. Feldman,

I am writing to you on behalf of Ireland Bank, a small community bank in southern Idaho and the oldest State Chartered Bank in Idaho. As CEO and President of the bank, I am grateful for the FDIC recognizing the need to "mitigate" the amount of extra assessments banks would pay for making loans under the SBA's Payroll Protection Plan (PPP). Our bank serves many small communities and our annual bank growth rates have been in the 3% range most years. Prior to the PPP program, we ended March 31, 2020 with $249.7M in total assets. Since participating in the PPP program, our assets have swelled to $285.6M, a 14.38% increase in assets in less than 60 days.

For the proposal to be most effective, I have the following recommendation.

- The proposed adjustments should be from the quarter-end outstanding balance of PPP loans and not the quarterly average amount of PPP loans pledged at the PPP Liquidity Facility (PPPLF).

Since quarterly assessments are based on quarter-end balances, the adjustment should be based on the same criteria. Although we have elected to pledge loans at the PPPLF, other institutions have chosen to delay or opt out of this opportunity and by not pledging their loans, their growth will result in higher FDIC assessment fees.

The difficult thing to fully understand is that the PPP loan program has had a doubling effect on growth. We loaned out less than $14M in PPP loans but grew by over $35M. When the loans are made, the proceeds are deposited into our customers' accounts which increases our balance sheet by the volume of the loans. We then pledged the loans and received cash back from the Fed which

Ireland Bank
THERE IS A DIFFERENCE™

increased our balance sheet by the same amount again. Even adjusting for the full PPP loan amount, our asset size is still inflated due to the program.

The PPP program is a public service authorized by Congress with very little, if any, benefit to the banking industry. There was an extraordinary amount of work required with very little direction provided to participate in the program which provided much needed help for our customers. Bank's should not be penalized by higher assessment fees for this short-term surge in growth. I hope you will carefully consider the effects of this program and find a way to fully deduct it from the assessment base so all banks who participated can be accommodated fairly.

Respectfully,

[redacted]

Bruce Lowry
President & CEO
Ireland Bank