



IBC

International Bancshares
Corporation

May 3, 2024

Via email: regs.comments@federalreserve.gov; comments@FDIC.gov

The Honorable Jerome Powell
Chair
Board of Governors of the Federal
Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

The Honorable Martin J. Gruenberg
Chairman
Federal Deposit Insurance
Corporation
550 17th Street, SW
Washington, DC 20429-9990

The Honorable Michael J. Hsu
Acting Comptroller of the Currency
Office of the Comptroller of the Currency
Constitution Center
400 Seventh Street, SW
Washington, DC 20219

Re: Comments on Regulatory Publication and Review Under the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (Dockets FRB OP-1828 and OCC-2023-0016; FDIC RIN 3064-ZA39)

Dear Sirs:

The following comments are submitted by International Bancshares Corporation ("IBC"), a publicly-traded, multi-bank financial holding company headquartered in Laredo, Texas. IBC maintains 166 facilities and 256 ATMs, serving 75 communities in Texas and Oklahoma through five separately state-chartered banks ("IBC Banks") ranging in size from approximately \$470 million to \$8.9 billion, with consolidated assets totaling over \$15 billion. IBC is one of the largest independent commercial bank holding companies headquartered in Texas. The Federal Deposit Insurance Corporation ("FDIC") is the primary federal regulator of the IBC Banks, and the Federal Reserve Board ("FRB") is the primary federal regulator of IBC.

These comments respond to the FRB, FDIC, and the Office of the Comptroller of the Currency's ("OCC," collectively, the "Agencies") statutory review required by the Economic Growth and Regulatory Paperwork Reduction Act of 1996 ("EGRPRA"). IBC appreciates the opportunity to comment on regulatory burden through the statutory review provided under EGRPRA. As required by EGRPRA, the Agencies must review their regulations at least every ten years to identify outdated or otherwise unnecessary regulatory requirements imposed on insured depository institutions. During this review, the Agencies must provide notice and solicit public comment on categories of regulations under scrutiny, then conclude the review by authoring a report to Congress. This report

must summarize the major regulatory burden issues raised, the merits of those issues, and whether those issues are best addressed via regulatory or legislative action.

In general, IBC's comments are presented and discussed in the American Bankers Association's ("ABA") comment letter as submitted to the Agencies ("Letter"). IBC shares the ABA's position that removing unnecessary regulatory burdens is a worthwhile goal shared by both regulators and the regulated and thus should be the primary focus of the review required by EGRPRA.

As further discussed in the Letter, IBC strongly urges the Agencies to consider and act on the following:

1. The Agencies should use the EGRPRA review to find ways to provide meaningful regulatory relief to banks, as that will facilitate the ability of banks to provide products and services to their customers at appropriate prices and through more channels. Every dollar saved by decreasing regulatory burdens will help drive competition and growth in the financial industry.
2. The EGRPRA review process should be broadened to include additional sources of regulatory burden, including the Consumer Financial Protection Bureau and the Financial Crimes Enforcement Network.
3. The Agencies must consider all banks in its EGRPRA review, because banks of various sizes are adversely impacted by regulatory burdens. This is clearly shown in the cost analyses conducted to understand the full burden and related costs of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank"), which are further discussed in the Letter.
4. Much like currency transaction reporting, threshold triggers must be updated to account for inflation because the sheer volume of reports currently overwhelms law enforcement with noisy, meaningless data. Consolidated Reports of Condition and Income ("Call Reports") must be simplified in order to provide regulators and the public meaningful, useful data. The never-ending increase in the information required in a Call Report has functionally transformed Call Reports into undigestible morasses that now do more to obfuscate the reported data and bank condition. The Agencies should undergo a thorough examination of the benefits of required Call Report data weighed against the considerable costs these data points and reports impose on banks. Like currency transaction reports, required data points should be subject to a cost-benefit analysis to ensure the required data is clear and useful. The Agencies should remove obsolete, redundant, or low-value data points from the Call Report and be highly cautious in making additions unless they serve an important supervisory purpose that cannot be otherwise met at lower cost.

IBC urges the Agencies to conduct the EGRPRA review carefully and with an eye towards easing the regulatory burden on institutions they oversee in order to allow a robust,

competitive, and consumer-friendly financial marketplace. The current economic and regulatory climate is dire for many small and mid-sized institutions, driven in large part by overreaching and overzealous regulators that refuse to see the harmful logical effects of their actions. Banks need more flexibility and trust from the Agencies in order to realize their full potential and truly offer the best financial products and services to their depositors.

Thank you for the opportunity to share IBCs views on these matters.

INTERNATIONAL BANCSHARES CORPORATION

A handwritten signature in blue ink, appearing to read 'DENIXON', is positioned above the name of the signatory.

Dennis E. Nixon, President and CEO