The Independent Community Bankers of America, representing community banks across the nationally ith 50,000 locations, appreciates the opportunity to provide this statement for the fecold WRGD tipled: KHDUL® Digital Dollar Dilemma: 7 KH, PSOLFDWLRQV RID & HQWUDO %DQN 'LJLWDO 8

, & % \$ EHOLHYHV WKDW FOZIRIXIODGO GEGI GELWULKLEHYIHDEGDROOSWAVPLURD. GOOD KRMIHDZ &L% ' LEQ Q \
GHILQHG )ERHUQ WYIKLEW VJHDVRQV VHW IRUWK LQ WKLV VWDWHPHQDWQG, &
XUJHV & RQJUHW KXLOWSRU IRISISIG WYIEDI TOVIGH GEIRD VOOMGEDSW DDYKHEZIRI OD LOF \L.G.GR-HDQQWXQ, I V. PYI. G.S.R.
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WRILQDQFLIRDQOV LQW WXLQWQ XHVFHVVDU\ JLYHQ WKH LQFUHDVLQJ DGRS V

serving

rural, suburban, and urban markets in all regions of the United States.

Disintermediation of Community Bank Deposits

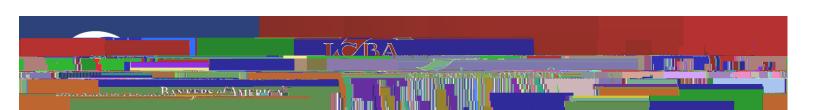
The Federal ReserveG HILQHV D & %'& DV 3D GLJLWDO OLDELOLW\ RID FHQV SXEQUID Territorial accounts or digital wallets facilitate the management of CBDC holdings and payments intermediaries could include commercial banks and regulated nonbank financial service providers and would operate in an open PDUNHW IRU & %'& VHUYLFHV '

Bank deposits are a liability of he issuingbank and esideon its balance sheet As such, deposits erve as a source of bank lending By contrast, a a liability of the Federal Reserve CBDC HYHQ RQH WKD WWW World ridt QW be available to support bank lending CBDC would position the Federal Reserves a direct advantage competitor for bank 0 G ks



from community banks with a direct and adverspact on credit availabilityThe risk of this scenario would be accentuated in a financial crisk ecause a CBDC would not have credit or liquidity risk, depositions of a UXQ RQ WKH EDQN DQG WUDQVIHU WThled blighta Endet Option OCCEDDO would also the transfer of the set of the

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The Role of Congress

The Federal ReserveS URPLVHG LQ LWV UHSRUW QRW WR PRYH IRUZDUG 3Z

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