
From: Brett Garrett <brett@dolphyn.com>
Sent: Wednesday, January 20, 2021 7:44 PM
To: DFPI Regulations
Cc: Sylvia Chi
Subject: PRO 01/20 - regarding § 10.3301.1 Reasonable promise of successful operation

I am concerned about the proposal to regard *financial viability* as the only criterion for determining the likelihood of success for a public bank. Some public banks could be successful at meeting a local agency's social or environmental goals, at reasonable cost, even while the bank fails to meet a purely financial definition viability. *A public bank need not be profitable to be successful.*

For example, if a public bank's goals include providing affordable housing, the bank could be successful in meeting that goal even if it is not profitable. If the cost of running the bank is lower than the cost of other ways to provide the affordable housing, I would conclude that the bank is effective and successful. The rules must be written in such a way that this situation is regarded as Successful Operation.

Perhaps each agency applying for a public bank charter should be allowed to provide its own definition of Successful Operation. The DFPI should accept any reasonable definition that has been vetted and agreed by the agency's elected officials.

Sincerely,

Brett Garrett
190 Walnut Ave Unit 301
Santa Cruz, CA 95060