

Oppose the proposed rule that would increase initial base deposit insurance assessment rates by 2 basis points for the following reasons:

1. An incomplete and politically slanted FDIC Board approved the Notice of Proposed Rulemaking.
2. The FDIC has not canvassed the banking industry to determine how much of the higher assessment cost banks will pass on to consumers through overdraft fees.
3. The FDIC has not analyzed the impact of the increased deposit assessments on Problem Banks and the potential for a rise in bank failures causing losses to the Deposit Insurance Fund (DIF) and lowering the reserve ratio.
4. The statutory 1.35 reserve ratio is completely insufficient to absorb losses should there be a systemically important financial institution (SIFI) failure.

Instead, the FDIC should create a Systemic Resolution Insurance Fund (SRIF) to supplement the DIF. Premiums for the SRIF would only be charged to SIFIs and the fund would serve to prevent taxpayer bailout in the event of the failure of a SIFI.