



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-102-2006
November 30, 2006

DEPOSIT INSURANCE ASSESSMENTS

Final Rule on Part 327 – Operational Processes Governing the Deposit Insurance Assessment System

Summary: The FDIC Board of Directors has approved the attached final rule to amend Part 327 of the FDIC Rules and Regulations. The amendments are being made simultaneously with amendments implementing the Federal Deposit Insurance Reform Act of 2005, and are intended to make the deposit insurance assessment system react more quickly and more accurately to changes in institutions' risk profiles and to ameliorate several causes for complaint by insured depository institutions. The final rule takes effect on January 1, 2007.

Distribution:

All FDIC-Insured Institutions

Suggested Routing:

Chief Executive Officer
President
Chief Financial Officer

Related Topics:

FDIC Risk-Based Assessments Regulations,
12 CFR 327.9 and 12 CFR 327.10

FDIC Designated Reserve Ratio Regulations,
12 CFR 327.4(g)

FDIC Assessments Regulations, 12 CFR 327,
Subpart B

Attachment:

Final Rule

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Highlights:

- Deposit insurance assessments will be collected for one quarter at the end of the next quarter, allowing for more current information than under the prior rule.
- The first quarterly certified statement invoice reflecting the new risk-based assessment system will be issued in June 2007 and will cover the first quarter of 2007.
- FICO assessments will continue to be collected during the transition period from the current assessment regulations to the new assessment regulations. These payments will be collected January 2, and March 30, 2007.
- Risk rating changes will become effective as of the date when the supervisory rating is transmitted to the institution.
- The assessment base definition will be retained with minor modifications.
- An existing institution with \$1 billion or more in assets and any institution that becomes insured on or after January 1, 2007, shall have its assessment base determined using average daily balances.
- An existing institution with less than \$1 billion in assets may continue to have its assessment base determined using quarter-end deposit balances or may opt permanently to have its assessment base determined using average daily balances.
- The "float" deduction currently used to determine the assessment base will be eliminated.
- Newly insured institutions will be assessed for the period in which they become insured.
- Institutions will have 90 days from each quarterly certified statement invoice to file requests for review of their risk assignment and requests for revision of the computation of their quarterly assessment payment.

