

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Parts 303, 308, 337, 364

RIN 3064-AD86, 3064-AF94, 3064-AF99, 3064-AG04

Withdrawal of Proposed Rules

AGENCY: Federal Deposit Insurance Corporation.

ACTION: Notice of withdrawal of proposed rules.

SUMMARY: The Federal Deposit Insurance Corporation (FDIC) is withdrawing Notices of Proposed Rulemaking relating to brokered deposit restrictions, corporate governance and risk management, and the Change in Bank Control Act. If the FDIC decides to pursue regulatory action in any of these areas, it will issue a new proposed rule.

DATES: As of [DATE], the FDIC is withdrawing proposed rules titled “Guidelines Establishing Standards for Corporate Governance and Risk Management for Covered Institutions With Total Consolidated Assets of \$10 Billion or More,” 88 FR 70391 (October 11, 2023), “Regulations Implementing the Change in Bank Control Act,” 89 FR 67002 (August 19, 2024), and “Unsafe and Unsound Banking Practices: Brokered Deposits Restrictions,” 89 FR 68244 (August 23, 2024).

FOR FURTHER INFORMATION CONTACT: *Brokered Deposits:* Vivek Khare, Senior Counsel, Legal Division (vkhare@fdic.gov); *Corporate Governance:* Annmarie Boyd, Assistant General Counsel, Legal Division (aboyd@fdic.gov); *Change in Bank Control:* Nefretete Smith, Supervisory Counsel, Legal Division (nefsmith@fdic.gov).

SUPPLEMENTARY INFORMATION:

Background

The FDIC is withdrawing the Notices of Proposed Rulemakings described below.

The FDIC no longer intends to issue final rules with respect to these proposals. If the FDIC decides to pursue regulatory action in any of these areas, it will issue a new proposed rule.

Brokered Deposits Proposal

On August 23, 2024, the FDIC published a proposed rule that would have significantly revised its regulations related to brokered deposits.¹ Revamping the brokered deposit rule would be a major undertaking that would significantly disrupt many aspects of the deposit landscape. Among other issues, the proposal would have adopted a narrow interpretation of the primary purpose exception inconsistent with the plain meaning of the law, and a broad, sweeping provision related to fees and remuneration. More generally, the proposal failed to account for the myriad of ways in which deposit arrangements have evolved over the years.

Corporate Governance Proposal

On October 11, 2023, the FDIC published a proposed rule that would have established new, enforceable safety and soundness standards related to corporate governance for FDIC-supervised institutions with \$10 billion or more in total consolidated assets.² Although the FDIC recognizes that sound corporate governance and appropriate controls are important for banks of all sizes, the proposed rule would have created a number of overly prescriptive and process-oriented expectations rather than focusing on core safety and soundness risks. In addition, the proposed rule would

¹ See 89 FR 68244 (Aug. 23, 2024).

² See 88 FR 70391 (Oct. 11, 2023).

have conflated the roles of management and the board of directors, created unworkable expectations, and, in certain areas, would have conflicted with applicable state law.

Change in Bank Control Act Proposal

On August 19, 2024, the FDIC published a proposed rule that would have amended its regulations implementing the Change in Bank Control Act by removing an exemption from the requirement to submit a notice to the FDIC for an acquisition of voting securities of a depository institution holding company for which the Federal Reserve reviews a Change in Bank Control Act notice³ Removing this exemption would have required a wide range of bank investors to file duplicative notices with both the FDIC and the Federal Reserve System and could have discouraged capital investments in FDIC-supervised banks.

Withdrawal of Proposed Rules

The FDIC is withdrawing these Notices of Proposed Rulemakings because, as noted above, it no longer intends to issue final rules with respect to these proposals. If the FDIC decides to pursue regulatory action in any of these areas, it will do so by publishing a new proposed rule or other issuance consistent with the requirements of the Administrative Procedure Act, as applicable.

Federal Deposit Insurance Corporation.

By order of the Board of Directors.

Dated at Washington, DC, on March 3, 2025.

³ See 89 FR 67002 (Aug. 19, 2024).

Jennifer M. Jones,

Assistant Executive Secretary.

[BILLING CODE]