PRESS RELEASE

Federal Deposit Insurance Corporation • Each depositor insured to at least $250,000

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FDIC Seeks Comment on Revised Proposal to Amend How Small Banks Are Assessed for Deposit Insurance

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) today sought comment on a revised proposed rule that would amend the way small banks are assessed for deposit insurance.

The proposed rule would affect banks with less than $10 billion in assets that have been insured by the FDIC for at least five years. It would update the data and revise the methodology that the FDIC uses to determine risk-based assessments for these institutions to better reflect risks and to help ensure that banks that take on greater risks pay more for deposit insurance than their less risky counterparts.

The proposal follows an initial proposed rule on small bank assessments issued in June 2015. The updated proposal reflects comments received last year on topics including the calculation of asset growth and the treatment of reciprocal deposits and Federal Home Loan Bank advances.

Like the initial proposal, the revised proposal would be revenue neutral, so that aggregate assessment revenue collected from established small banks is expected to be approximately the same as it would have been otherwise. The FDIC has revised the online assessment calculator that allows institutions to estimate their assessment rates under the proposal to reflect the updated proposal.

The FDIC is seeking comment on the updated proposal to ensure the public has the opportunity to provide feedback on the revisions. Comments on the proposed rule will be received for 30 days following publication in the Federal Register.

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Attachments:

Notice of Proposed Rulemaking

Link to online assessment calculator

Statement by Chairman Martin J. Gruenberg