

November 6, 2008

MEMORANDUM TO: The Board of Directors

FROM: Arthur J. Murton
Director
Division of Insurance and Research

SUBJECT: Extension of Comment Period for Proposed Rules on the Risk Based Assessment System.

Recommendation

On October 7, 2008, the FDIC requested comment on proposed rules that would: (1) effective January 1, 2009, raise current assessment rates uniformly by seven basis points for the first quarter 2009 assessment period only; (2) effective April 1, 2009, alter the way in which the risk-based assessment system differentiates for risk and again change deposit insurance assessment rates; and (3) also effective April 1, 2009, make technical and other changes to the rules governing the risk-based assessment system. The proposed rules were published for a 30-day comment period, which is scheduled to close on November 17, 2008.

In order to afford interested parties additional time beyond the present 30-day comment period to review the proposals with an April 1, 2009 effective date, the attached Federal Register notice would extend the period for public comment by 30 days, that is, until December 17, 2008, for those parts of the proposal that would become effective April 1, 2009 (items two and three in the foregoing paragraph).

The existing 30-day comment period for the proposed seven basis point uniform increase in existing assessment rates for the first quarter of 2009 only (item one in the first paragraph), with its separate proposed effective date of January 1, 2009, would not be extended and would continue to expire on November 17, 2008.

We recommend that the Board approve the attached Federal Register notice, authorize its publication in the Federal Register, and accept related comments following such publication.

Attachment

Concur:

John V. Thomas
Acting General Counsel