

[6714-01-P]

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Part 327

Deposit Insurance Assessments - 2008 Designated Reserve Ratio

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Notice

At a meeting on November 5, 2007, pursuant to provisions in the Federal Deposit Insurance Act, the Board of Directors of the FDIC (Board) set the 2008 designated reserve ratio (DRR) for the Deposit Insurance Fund (DIF) at 1.25% of estimated insured deposits.¹ The 2008 DRR of 1.25% is unchanged from the 2007 DRR.² The Board is publishing this notice as required by section 7(b)(3)(A)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(3)(A)(i)).³

¹ Section 7(b)(3)(C) of the FDI Act provides that, in setting the DRR for any year, the Board must: “(i) take into account the risk of losses to the Deposit Insurance Fund in such year and future years, including historic experience and potential and estimated losses from insured depository institutions; (ii) take into account economic conditions generally affecting insured depository institutions so as to allow the designated reserve ratio to increase during more favorable economic conditions and to decrease during less favorable economic conditions, notwithstanding the increased risks of loss that may exist during such less favorable conditions, as determined to be appropriate by the Board of Directors; (iii) seek to prevent sharp swings in the assessment rates for insured depository institutions; and (iv) take into account such other factors as the Board of Directors may determine to be appropriate, consistent with the requirements of this subparagraph.” 12 U.S.C. 1817 (b)(3)(C).

² The DRR is indicated in section 327.4(g) of the FDIC’s regulations. 12 CFR 327.4(g). There is no need to amend this provision because, as noted, the DRR for 2008 is the same as the current DRR.

³ The applicable provision of the FDI Act requires notice-and-comment rulemaking only when the Board changes the DRR. 12 U.S.C. 1817 (b)(3)(A)(ii).

The following is the link to the staff memorandum on which the Board acted when setting the DIF 2008 DRR: [*website link*]

FOR FURTHER INFORMATION CONTACT: Matthew Green, Chief, Fund Analysis and Pricing Section, Division of Insurance and Research, (202) 898-3670; or Joseph A. DiNuzzo, Counsel, Legal Division, (202) 898-7349.

By order of the Board of Directors.

Dated at Washington, D.C., this 5th day of November, 2007

Federal Deposit Insurance Corporation

Robert E. Feldman

Executive Secretary

(SEAL)

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