



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

**Financial Institution Letter**  
**FIL-49-2019**  
**September 9, 2019**

## **Request for Comments on Interest Rate Restrictions Applicable to Institutions That Are Less Than Well Capitalized**

**Summary:** The FDIC has issued a Notice of Proposed Rulemaking (NPR) seeking comment on proposed revisions to its regulations on interest rate restrictions that apply to insured depository institutions that are less than well capitalized.

**Statement of Applicability to Institutions with Total Assets Under \$1 billion:** This Financial Institution Letter applies to all FDIC-insured banks and savings associations, including community institutions.

### **Suggested Distribution:**

FDIC-Insured Institutions

### **Suggested Routing:**

Chief Executive Officer  
Chief Financial Officer

### **Related Topics:**

Brokered Deposits

### **Attachments:**

[Proposed Rule on Interest Rate Restrictions Applicable to Institutions That Are Less Than Well Capitalized](#)

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### **Highlights:**

- Under the proposed rule, the FDIC would amend the methodology for calculating the national rate and national rate cap for specific deposit products. The national rate would be the weighted average of rates offered on a given deposit product by all reporting institutions, weighted by domestic deposit share.
- The national rate cap applicable to less than well-capitalized institutions for particular products would be set at the higher of: (1) the 95th percentile of rates paid by insured depository institutions weighted by each institution's share of total domestic deposits or (2) the proposed national rate (i.e., the weighted average) plus 75 basis points.
- The proposed rule would also modify the current local rate cap calculation and process by allowing institutions that are less than well capitalized to offer up to 90 percent of the highest rate paid on a particular deposit product in the institution's local market area.
- The FDIC is seeking comments regarding the proposed approach as well as other alternative approaches discussed in the notice.
- The NPR was published in the Federal Register on September 4, 2019. Comments will be accepted until November 4, 2019.
- This FIL will become inactive 6 months after issuance.