



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

Financial Institution Letter
FIL-47-2018
September 13, 2018

Proposed Rulemaking Regarding Reciprocal Deposit Treatment

Summary: On September 12, 2018, the FDIC Board of Directors authorized publication of a Notice of Proposed Rulemaking on the treatment of reciprocal deposits. The NPR would conform the FDIC's current regulations with recent changes to Section 29 of the Federal Deposit Insurance Act made by Section 202 of the Economic Growth, Regulatory Relief, and Consumer Protection Act, which took effect on May 24, 2018. Conforming amendments to the FDIC's regulations governing deposit insurance assessments also are being recommended in the proposal. Comments on the NPR will be accepted for 30 days after publication in the Federal Register.

Statement of Applicability to Institutions with Total Assets under \$1 Billion: This Financial Institution Letter applies to all FDIC-insured financial institutions.

Suggested Distribution:

All FDIC-insured institutions

Suggested Routing:

Chief Executive Officer
Chief Financial Officer

Related Topics:

Brokered Deposits

Attachments:

[Federal Deposit Insurance Corporation
12 CFR Parts 327 and 337](#)
[RIN 3064-AE89 Limited Exception for a Capped
Amount of Reciprocal Deposits from Treatment as
Brokered Deposits](#)

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Note:

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Highlights:

- Section 202 of the Act amends Section 29 of the Federal Deposit Act to except a capped amount of reciprocal brokered deposits from treatment as brokered deposits for certain insured depository institutions. Section 202 defines terms including "reciprocal deposits," "covered deposits," and "agent institution."
- The FDIC is proposing to incorporate these statutory definitions into section 337.6(e)(2) of the FDIC Rules and Regulations, without change.
- Section 202 also confirms that the current statutory and regulatory rate restrictions for less than well capitalized institutions apply to reciprocal deposits that are excepted from treatment as brokered deposits. The FDIC is proposing conforming amendments to section 337.6(b)(2)(ii).
- Additionally, the FDIC is proposing to make conforming amendments to its assessments regulations, Part 327 of the FDIC Rules and Regulations, to be consistent with the statutory definition of reciprocal deposits.
- This rulemaking is the first part of a two-part effort to revisit the brokered deposit rules. The FDIC currently is working on the second part, which is planned for later this year and that will seek comment on the brokered deposit regulations more generally. We encourage comments not related to the implementation of Section 202 to be submitted as part of the broader rulemaking effort.
- Comments on the NPR will be accepted for 30 days after publication in the Federal Register.