



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

Financial Institution Letter
FIL-125-2004
November 24, 2004

DEPOSIT INSURANCE ASSESSMENTS

Changes To Certified Statement Process

Summary: The FDIC Board of Directors has approved changes to the assessment certified statement rule (12 CFR § 327.2) that modernize and simplify the regulations. Under the amended rule, insured institutions are required to obtain assessment invoices online through *FDICconnect*. In addition, correct certified statements will not be signed and returned to the FDIC.

Distribution:

All Insured Banks and Savings Associations

Suggested Routing:

Chief Executive Officer
Chief Financial Officer

Related Topics:

FDIC Assessment Regulations
12 C.F.R. 327

Attachments:

Federal Register Notice
FDICconnect Registration Process
FDICconnect Designated Coordinator
Registration Form

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Note:

For your reference, FDIC Financial Institution Letters (FILs) may be accessed from the FDIC's Web site at www.fdic.gov/news/news/financial/2004/ind ex.html.

To learn how to receive FILs electronically, please visit <http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street, NW, Room 100, Washington, DC 20434 (1-877-275-3342 or 202-416-6940).

Highlights:

- The rule changes will be implemented with the March 2005 invoice.
- Institutions will obtain quarterly certified statement invoices (and assessment risk classification notices) electronically through *FDICconnect*.
- The FDIC will remind institutions via email to download the quarterly certified statement invoices every quarter.
- There are no changes to the current payment process; however, institutions will no longer return correct quarterly certified statement invoices to the FDIC.
- Institutions that have already signed up for *FDICconnect* and have an active designated coordinator should make sure that access to the "deposit insurance assessment statements" transaction has been activated.
- Institutions that do not have a *FDICconnect* designated coordinator should sign up by January 31, 2005 (registration procedures and forms are attached).
- This FIL supersedes FIL-74-2004, dated June 25, 2004.

DEPOSIT INSURANCE ASSESSMENTS
Changes to Certified Statement Process

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) has approved the attached amendments to the certified statement rule (12 CFR § 327). The amendments modernize and simplify the deposit insurance assessment regulations governing certified statements. These changes are effective as of March 1, 2005, and will be implemented with the assessment payment due on March 30, 2005.

Under the amended rule, insured institutions will be required to obtain their certified statements on the Internet via the FDIC's transaction-based e-business Web site, *FDICconnect*. The semiannual certified statement process will be synchronized with the quarterly invoice process; two quarterly certified statement invoices are components of the semiannual assessment certification. Correct certified statements will no longer be signed and returned to the FDIC.

Each quarter, the FDIC will inform institutions via e-mail that quarterly assessment invoices are available for downloading. (Institutions should make certain that the FDIC email notification can be received through spam filters by setting them to accept all emails from fdic.gov.)

Each institution will then retrieve and download its quarterly certified statement invoice electronically from *FDICconnect*. If an institution agrees with its quarterly certified statement invoice, it will simply pay the assessment amount (as it currently does) and retain the invoice in its own files. If it disagrees with the quarterly certified statement invoice, it will pay the assessment amount and either amend its Report of Condition or similar report (to correct data errors) or amend its quarterly certified statement invoice (to correct calculation errors) and return it to the FDIC. The FDIC will automatically treat either as the insured institution's request for revision of its assessment computation, eliminating the requirement of a separate filing.

Institutions that have already signed up for *FDICconnect* and have an active designated coordinator should make sure that the "deposit insurance assessment statements" transaction has been assigned to the person responsible for downloading the quarterly certified statement invoices (the designated coordinator can assign that transaction to himself or herself). Institutions that are not signed up for *FDICconnect* should do so no later than January 31, 2005. The FDIC urges institutions to validate their access to the "deposit insurance assessments statements" transaction by downloading an invoice after access has been established.

Registration procedures and forms are attached to facilitate the registration process. Please note that institutions that have already submitted their *FDICconnect* registration forms do not need to do so again. Institutions that do not have Internet access may request that the FDIC continue mailing their invoices for another year by writing to William V. Farrell, Chief, Assessment Section, 801 17th St. NW, Washington, D.C. 20434, by January 31, 2005.

It is anticipated that these changes will reduce the time and effort required to comply with the certified statement process, consistent with the FDIC's ongoing program under the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) to provide regulatory burden relief to insured depository institutions.

For more information, please contact Steve Wagoner, Senior Assessment Policy Specialist, Division of Finance, at 202-416-7152; or Christopher Bellotto, Counsel, Legal Division, at 202-898-3801. For technical questions, please contact the *FDICconnect* toll-free hotline at 1-877-275-3342 (choose Option 5 from the Bankers' Menu).

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