



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

**Financial Institution Letter**  
**FIL-43-2007**  
**June 4, 2007**

## **DEPOSIT INSURANCE ASSESSMENTS**

### **Late Assessment Penalties**

**Summary:** On November 2, 2006, the FDIC Board of Directors approved the final rule to implement provisions of the Federal Deposit Insurance Reform Act of 2005 that provide penalties for failure to timely pay assessments (12 C.F.R. § 308.132(c)(3)(v)). The FDIC will apply the provisions of the final rule beginning with the assessment collection made on the June 29, 2007, payment date.

#### **Distribution:**

All FDIC-insured Institutions

#### **Suggested Routing:**

Chief Executive Officer  
President  
Chief Financial Officer

#### **Related Topics:**

Federal Deposit Insurance Act, 12 U.S.C. 1817, Subpart A

FDIC Rules of Practice and Procedure, 12 CFR 308, Subpart H

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#### **Note:**

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at [www.fdic.gov/news/news/financial/2007/index.html](http://www.fdic.gov/news/news/financial/2007/index.html).

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, 3501 Fairfax Drive, E-1002, Arlington, VA 22226 (1-877-275-3342 or 703-562-2200).

#### **Highlights:**

The FDIC will implement the new late assessment penalties rule beginning with the June 29, 2007, assessment collection.

- An institution that fails to timely pay an assessment of \$10,000 or more is subject to a penalty of not more than 1 percent of the late assessment amount due for each day that the assessment is unpaid. An institution that fails to timely pay an assessment of less than \$10,000 is subject to a penalty of not more than \$100 per day for each day that the assessment is unpaid.
- The FDIC, in its sole discretion, may compromise, modify or remit a late assessment penalty upon finding that good cause prevented timely payment (that is, failure to pay is due to matters outside the institution's control, such as a natural disaster).
- Assessment payments are considered timely if the FDIC is able to debit the account designated by an institution for the full amount on the payment due date.

To avoid late assessment penalties, institutions should make sure that the Automated Clearing House (ACH) payment information supplied to the FDIC for assessment collections is up to date and that their designated ACH accounts are adequately funded prior to the payment date. Institutions' current payment information is located in section VI of the Quarterly Certified Statement Invoice. ACH payment information can be updated via *FDICconnect*. To avoid last-minute difficulties, the FDIC urges all institutions to check the validity of the payment information, and to make sure they have an active *FDICconnect* coordinator and assessment transaction user.

