



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

Financial Institution Letter
FIL-25-2015
June 16, 2015

SMALL BANK PRICING Notice of Proposed Rulemaking

Summary: On June 16, 2015, the FDIC Board of Directors approved the attached Notice of Proposed Rulemaking (NPR) and request for comment on proposed refinements to the deposit insurance assessment system for small insured depository institutions (generally, those institutions with less than \$10 billion in total assets). The NPR proposes that the refinements would become operative the quarter after the reserve ratio of the Deposit Insurance Fund (DIF) reaches 1.15 percent. Comments on the NPR are due 60 days following publication of the NPR in the *Federal Register*.

Statement of Applicability to Institutions under \$1 Billion in Total Assets: This Financial Institution Letter applies to institutions under \$1 billion in total assets.

Distribution:

All FDIC-Insured Institutions

Suggested Routing:

Chief Executive Officer
President
Chief Financial Officer

Related Topics:

FDIC Regulations Governing the Assessment Process, 12 CFR Part 327

Attachment:

[Notice of Proposed Rulemaking](#)
[Proposed Assessment Calculators](#)

Contact:

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Note:

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at <https://www.fdic.gov/news/news/financial/2015/>

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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 NPR would:

- Determine assessment rates for all established small IDIs (those that are not new) using financial measures and supervisory ratings derived from a statistical model estimating the probability of failure over three years.
- Eliminate risk categories, but subject assessment rates to minimums and maximums based upon a bank's CAMELS composite rating.
- Maintain the range of assessment rates that will apply once the DIF reaches 1.15 percent; thus, under the NPR, as under current regulations, initial deposit insurance assessment rates will fall once the reserve ratio reaches 1.15 percent.
- Be revenue neutral; that is, in a manner that leaves aggregate assessment revenue collected from small banks approximately the same as it would have been absent the proposal.
- To help established IDIs evaluate the effect of the proposed rule, the FDIC will place an assessment calculator on the FDIC's website that will allow IDIs to estimate their assessment rates under the proposal.