

Statement of Martin J. Gruenberg, Chairman, Federal Deposit Insurance Corporation: Issuance of a Notice of Proposed Rulemaking on Recordkeeping for Timely Deposit Insurance Determination

February 17, 2016

In the aftermath of the financial crisis, the FDIC has worked to improve its capabilities to manage the resolution of a large failed bank. This Notice of Proposed Rulemaking, or NPR, follows an Advance Notice of Proposed Rulemaking published in April 2015. That ANPR resulted in a number of helpful comments that informed our consideration of this issue and helped shape the proposed rule we are considering today.

Timely access to insured deposits when a bank fails is critical to maintaining public confidence in the banking system. Today's proposal would bolster the FDIC's ability to provide depositors at large banks with at least two million accounts with the same rapid access to their insured funds as the FDIC does when a smaller institution fails. Typically, the FDIC is able to make most insured deposits available to depositors by the next business day after a bank fails.

While the proposal would apply to banks with at least two million deposit accounts, some of the banks covered by the NPR now have more than 50 million deposit accounts, offer FDIC-insured accounts using complex account structures, and use information technology systems that are more complex than smaller banks typically employ. Many of them also have multiple deposit platforms inherited through prior acquisitions.

As set forth in the NPR, the FDIC is proposing to achieve its goal by generally requiring banks with two million or more deposit accounts to improve the quality of their deposit data and make changes to their information systems so that the FDIC could make a prompt and accurate insurance determination. There are currently 36 banks with two million or more deposit accounts that would be covered by this rule. The FDIC is not proposing or considering making these requirements applicable to smaller institutions, including community banks.

The FDIC welcomes further comment from the industry and other interested parties on this proposal.

I support publication of this NPR with a 90-day comment period. I would like to thank the FDIC staff for their excellent work and my fellow Board members for their cooperation in moving forward on this NPR.