

**Statement by Chairman Martin J. Gruenberg on the Revised Notice of Proposed
Rulemaking on Deposit Insurance Assessments for Small Banks
January 21, 2016**

In June of last year, the Board authorized publication of a notice of proposed rulemaking to amend the calculation of deposit insurance assessment rates for small banks – that is, banks with less than \$10 billion in assets. As staff mentioned, we received almost 500 comments on the proposal.

After careful analysis of the comments, the Board is considering today a revised notice of proposed rulemaking, which includes the following main changes:

- The revised proposal would alter the one-year asset growth measure so that it would increase assessment rates only when one-year asset growth exceeds 10 percent.
- The revised NPR also would use a brokered deposit ratio as one of the financial ratios used to calculate a bank's assessment rate. Consistent with a number of comments, this ratio would treat reciprocal deposits and Federal Home Loan Bank advances the same way the current system does.

The revised proposal would allow assessments to better differentiate riskier banks from safer banks just as well as last year's proposal, and would allocate the costs of maintaining a strong Deposit Insurance Fund accordingly. Like the proposal approved last year, the revised proposal before the Board today is revenue neutral, so that it will not change the aggregate amount that the FDIC expects to collect from small banks. Taken together with the decline in rates associated with the Deposit Insurance Fund reaching a reserve ratio of 1.15 percent, more than 93 percent of small banks would have rate decreases.

As we have done previously, to help banks understand the potential effect of the revised proposed rule, the FDIC is publishing an online assessment calculator that will allow institutions to estimate their assessment rates under the revised proposal.

I support publication of this revised NPR and welcome public comment. And I thank the staff for their excellent work on this revised NPR.