



# PRESS RELEASE

Federal Deposit Insurance Corporation • Each depositor insured to at least \$250,000

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## **FDIC Seeks Comment on the Treatment of Reciprocal Deposits**

The Federal Deposit Insurance Corporation (FDIC) is seeking comment on a proposed rule to implement Section 202 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) to exempt certain reciprocal deposits from being considered as brokered deposits for certain insured institutions.

Under the reciprocal deposit exception addressed in today's proposed rule, well-capitalized and well rated institutions are not required to treat reciprocal deposits as brokered deposits up to the lesser of 20 percent of its total liabilities or \$5 billion. Institutions that are not both well capitalized and well rated may also exclude reciprocal deposits from their brokered deposits under certain circumstances.

This rulemaking is the first of a two-part effort the FDIC plans to take to revisit the brokered deposit rules. For the second part, the FDIC plans to seek comments later this year on the agency's overall brokered deposit and rate cap regulations.

"As FDIC Chairman, I am currently undertaking a comprehensive review of FDIC regulations and policies. A key part of this process will be a reassessment of the agency's brokered deposits regulations and FAQs. Since the rules were put in place, the industry has seen significant changes in technology, business models, and product types, and later this year we will ask for public comment on how best to update the rules to reflect such changes," said FDIC Chairman Jelena McWilliams.

Comments on the proposed rule to implement Section 202 of EGRRCPA on reciprocal deposits will be accepted for 30 days after publication in the *Federal Register*.

### **Attachment**

[Notice of Proposed Rulemaking Regarding Reciprocal Deposit Treatment](#)

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Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. The FDIC insures deposits at the nation's banks and savings associations, 5,542 as of June 30, 2018. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars—insured financial institutions fund its operations.

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