In December 2016, the FDIC published a final rule, “Recordkeeping for Timely Deposit Insurance Determination” (Part 370 of the FDIC Rules and Regulations), to ensure that the FDIC would be able to quickly determine the amounts of deposits that are insured if any bank covered by the rule fails. The rule became effective in April 2017. Thirty-two large insured depository institutions (IDIs), each having two million or more deposit accounts (each a “covered institution”), are currently subject to the rule and are required to meet recordkeeping standards and systems capabilities described in it.

In the two years since the rule came into effect covered institutions have made substantial progress toward compliance. During this time it became clear that there are features of the rule that could be improved.

Accordingly, in April of this year, the FDIC published a notice of proposed rulemaking to amend Part 370 in order to better balance the benefits of the rule with its burdens, provide limited relief where appropriate, and improve clarity, while still ensuring the FDIC will have access to the information it needs.

Today we are finalizing the amendments that were proposed in April. On many issues covered in the proposal, including the optional one-year extension of time for compliance, we are finalizing the rule as proposed. On all issues, we carefully considered the comments received, and on several issues we made changes to our proposal to address concerns expressed by commenters.

The goal of Part 370 remains unchanged: timely access to insured deposits is critical to maintaining public confidence in the banking system. As amended, the rule will continue to provide the FDIC with the ability to provide depositors at large failed banks with the same rapid access to their insured funds as it does in smaller resolutions.

We are also finalizing a narrowly focused change to Section 330.9 of the FDIC Rules and Regulations, which sets forth requirements for deposit insurance coverage of joint accounts. This change was proposed concurrently with the amendments to Part 370 in April of this year and the finalized rule will be applicable to all IDIs.
The final rule expands the forms of evidence that the FDIC will accept as proof of the existence of a joint account for the purposes of deposit insurance coverage. IDIs will now be able to satisfy the signature card requirement with other information contained in their deposit account records, such as the issuance of debit cards to joint accountholders, or evidence of usage of the deposit account by each co-owner.

This change to Part 330 does not require any changes at any IDI and does not expand or contract deposit insurance coverage. However, it does ease the recordkeeping requirements applicable to joint accounts and expands the options available to the FDIC when determining whether an IDI’s records contain sufficient evidence to support the existence of a qualifying joint account.

I support publication of these final rules and would like to thank the FDIC staff for their efforts. I encourage the banks covered by Part 370 to continue to work diligently toward full compliance.