On December 5, 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 can quickly determine the amount of insured deposits if any bank covered by the rule should fail.

Thirty-six large insured depository institutions (IDIs) are subject to the rule and are required to meet recordkeeping standards and systems capabilities described in it. In the nearly two years since the rule was enacted, covered institutions have made substantial progress toward compliance. During the course of this work, it has become clear that there are features of the rule that could be improved. The amendments we propose today are intended to provide these improvements and to better balance the benefits of the rules with the burdens, provide limited relief where appropriate, and improve clarity, while still ensuring the FDIC will have access to the information it needs. The proposed changes also include an optional one-year extension of time for compliance with Part 370.

The proposed changes to Part 370 only impact IDIs with more than 2 million deposit accounts.

The second proposed amendment addresses the “signature card” requirement in Part 330 of the FDIC Rules and Regulations, and emanates from challenges encountered by covered institutions as they worked toward compliance with Part 370.

The proposed change to Part 330 would be applicable to all IDIs. Currently, in order for funds in a joint account to be insured separately from accounts individually owned by the account’s co-owners, each co-owner must sign a signature card. The FDIC does not specify that the signature card be in any particular format, and has allowed IDIs to satisfy the requirement through various forms of documentation. Under the proposal, an IDI would be able to satisfy the signature card requirement through information contained in the deposit account records, such as evidence the institution has issued a mechanism for accessing the account to each co-owner or evidence of usage of the deposit account by each co-owner. To give an example, the requirement could be satisfied by evidence that an IDI has issued a debit card to each co-owner of the account.

I support publication of these NPRs with a 30-day comment period. I would like to thank the FDIC staff for their efforts, and urge covered institutions to provide us with feedback on these proposals as they continue to work toward full compliance with Part 370.