



**Federal Deposit Insurance Corporation**  
550 17th Street NW, Washington, D.C. 20429-9990

**Financial Institution Letter**  
**FIL-97-2006**  
**November 9, 2006**

## **Deposit Insurance Assessments**

### **Final Rule on Late Assessment Penalties**

**Summary:** The FDIC Board of Directors has approved the attached final rule to implement the Late Assessment Penalties provisions of the Federal Deposit Insurance Reform Act of 2005. The final rule takes effect on January 1, 2007.

**Distribution:**

All FDIC-insured Institutions

**Suggested Routing:**

Chief Executive Officer  
President  
Chief Financial Officer

**Related Topics:**

FDIC Rules of Practice and Procedure, 12 CFR 308, Subpart H

**Attachment:**

Final Rule

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**Note:**

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at [www.fdic.gov/news/news/financial/2006/index.html](http://www.fdic.gov/news/news/financial/2006/index.html).

To receive FILs electronically, please visit <http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 3501 Fairfax Drive, E-1002, Arlington, VA 22226 (1-877-275-3342 or 703-562-2200).

**Highlights:**

The Federal Deposit Insurance Reform Act of 2005 changed the Federal Deposit Insurance Act provisions for failing to timely pay assessments.

- An institution that fails to timely pay its assessment is subject to a penalty of not more than 1 percent of the late assessment amount due for each day that the assessment is unpaid.
- For late assessment payments less than \$10,000, a penalty of not more than \$100 may be imposed for each day the assessment is unpaid.
- The FDIC, in its sole discretion, may compromise or modify a late assessment penalty upon finding that good cause prevented timely payment.