



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

Financial Institution Letter
FIL-42-2016
June 30, 2016

Frequently Asked Questions on Identifying, Accepting and Reporting Brokered Deposits

Summary: The FDIC is finalizing updates to its Frequently Asked Questions (FAQs) regarding identifying, accepting and reporting brokered deposits. In November 2015, the FDIC released for comment proposed updates to the FAQs that were originally issued in January 2015. After consideration of the comments received, the FDIC retained a majority of the proposed updates, with certain clarifications and new FAQs. This Financial Institution Letter supersedes [FIL-2-2015](#) and [FIL-51-2015](#).

Statement of Applicability to Institutions with Total Assets Under \$1 Billion: This Financial Institution Letter applies to all FDIC-insured financial institutions that use brokered deposits.

Suggested Distribution:

FDIC-Insured Depository Institutions

Suggested Routing:

Chief Executive Officer
Chief Financial Officer
Chief Legal Officer

Related Topics:

[Study on Core Deposits and Brokered Deposits](#)

[Advisory Opinion on Brokerage Services](#)

Attachments:

[Frequently Asked Questions on Identifying, Accepting and Reporting Brokered Deposits](#)

[Identifying, Accepting and Reporting Brokered Deposits: Frequently Asked Questions \(Updated June 30, 2016, Revised July 14, 2016\)](#)

Contacts:

Martin Thompson, Senior Examination Specialist (202-898-6767); Rebecca Berryman, Senior Capital Markets Specialist (202-898-6901); and Vivek Khare, Senior Attorney (202-898-6847)

Note:

FDIC Financial Institution Letters (FILs) may be accessed from the FDIC's Web site at <https://www.fdic.gov/news/news/financial/2016/>.

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

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

Highlights:

- Section 29 of the Federal Deposit Insurance Act (12 U.S.C. §1831f) and Section 337.6 of the FDIC's rules and regulations (12 C.F.R. § 337.6) define the term "deposit broker" and restrict the acceptance of brokered deposits by FDIC-insured depository institutions (IDIs) that are not well capitalized for Prompt Corrective Action (PCA) purposes.
- The FAQs are based on the statute, regulation and explanations of the requirements for identifying and accepting brokered deposits provided to the industry through published advisory opinions and the FDIC's Study on Core Deposits and Brokered Deposits issued in July 2011, as well as on comments received since publication of the FAQs. The FAQs provide plain language information about categorizing brokered deposits.
- The FDIC will continue to consider each request on a brokered deposits determination on a case-by-case basis and will issue additional advisory opinions as appropriate. The FAQs will be updated periodically on the FDIC's website at <https://www.fdic.gov/news/news/financial/>.
- Key updates since the FAQs were issued in January 2015 address matters related to:
 - Business professionals and deposit referral programs;
 - Deposits gathered through "dual hatted," "dual" and "call center" employees (as explained in the FAQs), or contractors;
 - Deposits underlying government-sponsored prepaid or debit card programs;
 - Whether certain nonmaturity deposits are brokered; and
 - Actions an IDI should take if it holds certain brokered deposits and falls below well capitalized for PCA purposes.