



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC PUBLISHES SEMIANNUAL AGENDA OF REGULATIONS

FOR IMMEDIATE RELEASE

The Federal Deposit Insurance Corporation has published its semiannual agenda of regulations in the Federal Register to inform the public of the Corporation's regulatory actions and encourage participation in the rulemaking process.

Many of the actions are the result of the FDIC Board's ongoing efforts to reduce the regulatory burden on banks, simplify rules and improve efficiency. Many are also in response to the Riegle Community Development and Regulatory Improvement Act of 1994 (CDRI) and the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA), containing reforms significantly restructuring the regulation of financial institutions.

Of the 34 final or proposed changes to the FDIC's regulations included in the agenda, one is in the pre-rule stage, 12 are in the proposed rule stage, six are in the final rule stage and 13 are completed actions. The agenda also includes two long-term proposals. Highlights of a few actions follow.

Putting the Savings Association Insurance Fund (SAIF) on sound footing, the Board finalized a rule in October imposing a one-time special assessment on institutions that pay assessments to the SAIF in order to capitalize the fund, in accordance with the Deposit Insurance Funds Act of 1996. With the SAIF capitalized, the Board has proposed lowering the assessment rates SAIF-insured institutions pay to maintain the fund at its "designated reserve ratio," while simultaneously widening the spread between the lowest and highest rates to improve the effectiveness of the FDIC's risk-based premium system.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. 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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In a move to promote public understanding of deposit insurance--whose rules can be complex for both bankers and consumers--the Board proposed in May to simplify and clarify the rules, and sought comment on what steps to take.

In another action, the Board proposed in August streamlining the approval process for insured state banks wishing to engage in activities not permitted for national banks, such as real estate investment ventures or activities involving insurance products and annuity contracts.

Attached is a copy of the Semiannual Regulatory Agenda appearing in the November 29, 1996, Federal Register, which contains all 34 final or proposed rule changes.