

TABLE 1

**Proposed Assessment Rate Schedules
Second Semiannual 1995 Assessment Period
FDIC-Insured Institutions**

Proposed BIF Rate*

Capital Category	Supervisory Risk Group		
	Group A	Group B	Group C
1. Well	4	7	21
2. Adequate	7	14	28
3. Under	14	28	31

Estimated Annual Assessment Revenue: \$1.1 Billion
Average Annual Assessment Rate: 4.5 bp
Rate Spread: 27 bp

Proposed SAIF Rate*

Capital Category	Supervisory Risk Subgroup		
	Group A	Group B	Group C
1. Well	23	26	29
2. Adequate	26	29	30
3. Under	29	30	31

Estimated Annual Assessment Revenue: \$1.7 Billion
Average Annual Assessment Rate: 24 bp
Rate Spread: 8 bp

*Rates are in basis points

Resulting obligation to:
(basis points in parentheses)

Option	BIF	SAIF	Treasury	SAIF* Capitalization	Premium* Disparity	FICO* Problem
8. Combination Options						
a) Merge BIF/SAIF, BIF/SAIF pay FICO <u>pro rata</u>	11.7 (47)	3.4 (47)	0	1996	none	none
b) RTC capitalizes SAIF, SAIF/BIF share FICO <u>pro rata</u>	6.5 (26)	1.9 (27)	6.7	immediate	none	none
c) Special assessment on SAIF, BIF/SAIF share FICO <u>pro rata</u>	6.5 (26)	8.6 (120)	0	immediate	none	none
d) Special assessment on SAIF, RTC funds pay FICO	0	6.7 (94)	8.4	immediate	none	none

* Based on baseline assumptions as of 3-9-95.

Notes:

- (i) Current estimated cost to defease FICO = \$8.4 billion, discounting at 7.96%, the current (3/7/95) rate on Treasury IO strips due in 2018.
- (ii) Amount needed at year-end 1994 to enable SAIF to meet 1.25% designated ratio = \$6.7 billion (the amount needed to incurease the SAIF from its year-end 1994 balance of \$1.936 billion to 1.25% of year-end SAIF insured deposits of \$693 billion, or \$8.66 billion).
- (iii) Pro rata shares are 77% BIF, 23% SAIF.
- (iv) The one-time premium necessary to obtain \$1 billion is about 4 basis points for BIF and 14 basis points for SAIF.
- (v) Reducing SAIF premium from 23 bp to 18 bp would increase time to capitalization by about two years.
- (vi) Results in right hand three columns rely on FDIC's baseline assumptions.