Federal Deposit Insurance Corporation
550 17th Street NW, Washington, DC 20429-9990

Financial Institution Letter
FIL-24-2023
May 11, 2023

Notice of Proposed Rulemaking on Special Assessment Pursuant to Systemic Risk Determination

Summary: The Federal Deposit Insurance Corporation (FDIC) Board of Directors issued a notice of proposed rulemaking, which would implement a special assessment to recover the cost associated with protecting uninsured depositors following the closures of Silicon Valley Bank and Signature Bank. The Federal Deposit Insurance Act (FDI Act) requires the FDIC to take this action in connection with the systemic risk determination announced on March 12, 2023. Comments on the proposed rule will be accepted for 60 days following publication in the Federal Register.

Statement of Applicability: The contents of, and material referenced in, this FIL do not apply to any banking organization (defined to include FDIC–insured financial institutions that are not subsidiaries of a holding company and FDIC-insured financial institutions that are subsidiaries of a holding company with one or more FDIC–insured financial institution subsidiaries) with less than $5 billion in total consolidated assets.

Related Topics:
Assessments, 12 CFR Part 327

Special Assessment Pursuant to Systemic Risk Determination

Attachment:
Statement by Chairman Martin J. Gruenberg

Fact Sheet

Memorandum to the Board of Directors

Notice of Proposed Rulemaking on Special Assessment Pursuant to Systemic Risk Determination

Contact:
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Note:
Access FDIC Financial Institution Letters (FILs) on the FDIC's website.

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Highlights:

Special Assessment Amount

- Currently, the FDIC estimates that of the total cost of the failures of Silicon Valley Bank and Signature Bank, approximately $15.8 billion was attributable to the protection of uninsured depositors.

Special Assessment Rate

- The FDIC is proposing to collect special assessment at an annual rate of approximately 12.5 basis points over eight quarterly assessment periods.
- The special assessment rate is subject to change prior to any final rule depending on any adjustments to the loss estimate, mergers or failures, or amendments to reported estimates of uninsured deposits.

Assessment Base for the Special Assessment

- The assessment base for the special assessment would be equal to an insured depository institution's (IDI's) estimated uninsured deposits reported as of December 31, 2022, adjusted to exclude the first $5 billion, applicable either to the IDI, if an IDI is not a subsidiary of a holding company, or at the banking organization level, to the extent that an IDI is part of a holding company with one or more subsidiary IDIs.

Collection Period

- Because the estimated loss pursuant to the systemic risk determination will be periodically adjusted, the FDIC could:
    - Cease collection early, if it has collected enough to recover actual or estimated losses;
    - Extend the special assessment collection period one or more quarters beyond the initial eight-quarter collection period, if actual or estimated losses exceed the amounts collected; and
    - Impose a final shortfall special assessment on a one-time basis after the receiverships for Silicon Valley Bank and Signature Bank terminate, if actual losses exceed the amounts collected.

	• The special assessment would be collected beginning with the first quarterly assessment period of 2024 (i.e., January 1 through March 31, 2024, with an invoice payment date of June 28, 2024), and would continue to be collected for an anticipated total of eight quarterly assessment periods in order to preserve liquidity at IDIs, and in the interest of consistent and predictable assessments.