

**Statement by  
FDIC Chairman Martin J. Gruenberg  
On  
Notice of Proposed Rulemaking  
On  
Raising DIF Reserve Ratio to 1.35 Percent  
October 22, 2015**

In 2010, Congress in the Dodd-Frank Act raised the minimum reserve ratio for the deposit insurance fund from 1.15 percent to 1.35 percent and required that the reserve ratio reach the new minimum by September 30, 2020. The Act also provided that institutions with \$10 billion or more in assets would be responsible for closing the gap between 1.15 percent and 1.35 percent.

As we just heard, FDIC staff projects that the reserve ratio will likely reach 1.15 percent in early 2016. The FDIC Board therefore is today considering a proposal to raise the reserve ratio to 1.35 percent as required by law.

It is worth noting that, in 2011, when the Board adopted the current assessment rates, it also provided for lower regular assessment rates for all institutions when the reserve ratio reaches 1.15 percent. Under that existing rule, average assessments for institutions with less than \$10 billion in assets will be reduced by nearly 30 percent. The proposal under consideration today would impose a 4.5 basis point surcharge on institutions with \$10 billion or more in assets to bring the reserve ratio up to the statutorily required level.

The FDIC expects that eight quarters of surcharges would be required to bring the reserve ratio to 1.35 percent.

This proposal takes a balanced approach. A large majority of institutions will have substantially reduced assessments according to the 2011 rule. The assessment surcharges on large institutions would be spread out over time and should be fully manageable for the institutions. By aiming to reach the minimum reserve ratio ahead of the statutory deadline, this approach reduces the risk that the FDIC would have to raise rates unexpectedly in the event of a future period of stress and should allow the FDIC to maintain stable and predictable assessments.

I'd like to thank staff for their hard work on this proposal. I support the proposal and look forward to receiving comments.

Press Release: FDIC Board Adopts Proposed Rule to Increase Deposit Insurance Fund To Statutorily Required Level

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