



# PRESS RELEASE

Federal Deposit Insurance Corporation

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## FDIC Proposes New Risk-Based Insurance Assessment System

The FDIC's Board of Directors today approved for public comment two proposed rules governing deposit insurance assessments under the Federal Deposit Insurance Reform Act of 2005. One proposal would create a new system that would more closely tie what banks pay for deposit insurance to the risks they pose. It also would adopt a new base schedule of rates that the FDIC Board could adjust up or down, depending upon the revenue needs of the insurance fund. The second proposal issued today would continue to set the designated reserve ratio (DRR) for the fund at 1.25 percent of estimated insured deposits.

"The proposed new system of risk-based assessments would allow the FDIC to adhere more closely to sound insurance principles because the safer an institution is, the less it will pay for deposit insurance," said FDIC Chairman Sheila Bair. "We hope that most FDIC-insured institutions will find our proposals reasonable and fair, and we look forward to receiving comments."

Comments on the proposed rules are due within 60 days of publication in the *Federal Register*, which is expected to occur within a week.

In a related action, the FDIC Board also issued for comment a proposed new official sign for institutions to display at teller stations and elsewhere. The proposal also would, for the first time, require both banks and savings associations to use the same sign and rules for advertising FDIC membership. Comments on this proposed rule are also due within 60 days of publication in the *Federal Register*.

The proposed rules issued today are in addition to three others governing deposit insurance assessments that the Board approved for public comment on May 9, including a proposed rule that would allocate a one-time \$4.7 billion assessment credit among insured institutions. Comments on these earlier published rules are due August 16, 2006.



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.

FDIC press releases and other information are available on the Internet at [www.fdic.gov](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://www.fdic.gov/about/subscriptions/index.html)) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-70-2006

The Reform Act requires the FDIC to prescribe final regulations in these areas by November 5, 2006.

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**Attachments:**

[Risk-Based Assessments - PDF](#) 665k ([PDF Help](#))

[Designated Reserve Ratio - PDF](#) 69k ([PDF Help](#))