# PRESS RELEASE

Federal Deposit Insurance Corporation ● Each Depositor insured to at least $250,000

October 22, 2015

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**FDIC Board Adopts Proposed Rule to Increase Deposit Insurance Fund To Statutorily Required Level**

FOR IMMEDIATE RELEASE

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) today adopted a proposal to increase the Deposit Insurance Fund (DIF) to the statutorily required minimum level of 1.35 percent.

Congress in the Dodd-Frank Wall Street Reform and Consumer Protection Act increased the minimum for the DIF reserve ratio, the ratio of the amount in the fund to insured deposits, from 1.15 percent to 1.35 percent and required that the ratio reach 1.35 percent by September 30, 2020. Further, the Dodd-Frank Act also made banks with $10 billion or more in total assets responsible for the increase from 1.15 percent to 1.35 percent.

Under a rule adopted by the FDIC in 2011, regular assessment rates for all banks will decline when the reserve ratio reaches 1.15 percent, which the FDIC expects will occur in early 2016. Banks with total assets of less than $10 billion will have substantially lower assessment rates under the 2011 rule.

The proposed rule approved today would impose on banks with at least $10 billion in assets a surcharge of 4.5 cents per $100 of their assessment base, after making certain adjustments. The FDIC expects the reserve ratio would likely reach 1.35 percent after approximately two years of payments of the proposed surcharges.

"The FDIC is proposing to implement the requirement to increase the Deposit Insurance Fund to the statutory minimum through a balanced and deliberate approach," FDIC Chairman Martin J. Gruenberg said. "This approach would ensure that the DIF reaches the minimum reserve ratio while maintaining relatively stable and predictable assessments. A large majority of banks will have substantially reduced assessments as the DIF reaches 1.15 percent."

The primary purposes of the Deposit Insurance Fund are to protect the depositors of insured banks and to resolve failed banks. The DIF is funded mainly through quarterly assessments on insured banks.

After being depleted during the recent financial crisis, the DIF has risen for the past 5-1/2 years to $67.6 billion as of June 30. The reserve ratio at the end of June was 1.06 percent.

Comments will be due 60 days after the rule is published in the Federal Register, which is expected shortly.

Attachments:

- Notice of Proposed Rulemaking - PDF (PDF Help)

- Statement by FDIC Chairman, Martin J. Gruenberg

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