



DEPOSIT INSURANCE ASSESSMENTS

FIL-30-2000
May 25, 2000

TO: CHIEF EXECUTIVE OFFICER
SUBJECT: *Risk-Related Premium System*

The Federal Deposit Insurance Corporation (FDIC) is providing insured institutions with updated information about deposit insurance assessments. The information pertains to the semiannual assessment period beginning July 1, 2000, and subsequent assessment periods.

Since June 30, 1995, assessment payments have been required quarterly; however, each institution is assigned an assessment risk classification semiannually. Both quarterly payments for a particular semiannual assessment period are at the same assessment risk classification rate. The two semiannual periods are January 1 through June 30, and July 1 through December 31.

Beginning with the July 1, 2000, assessment period, the following change will occur: The time between the date that institutions are notified of their assessment risk classification and payment amount for the upcoming assessment period and the date the assessment is collected (payment date June 30) will be shortened from 30 days to 15 days. **Therefore, each institution will be notified of its assessment risk classification and payment amount in mid-June for the July 1 assessment period and in mid-December for the January 1 assessment period.** The assessment risk classification (noted in the upper right-hand corner of the invoice form) will apply for the entire semiannual period.

Since January 1, 1997, the amount charged by the Financing Corporation (FICO) has been separate from, and in addition to, deposit insurance assessments for all insured institutions. The FICO rate is adjusted quarterly to reflect changes in the assessment base. The current FICO rate is reflected on the quarterly assessment invoice.

An institution may request a review of its **assessment risk classification** or a revision of computation of its **quarterly assessment payment**, or both. The process for requesting a review of the semiannual assessment risk classification is addressed in the attached "Determination of Assessment Risk Classifications." The process for requesting a revision of the computation of the quarterly assessment payment is outlined on each assessment invoice. **If an institution requests both a review of its assessment risk classification and a revision of the computation of its quarterly assessment payment, a separate request must be completed for each.**

Regardless of whether an institution chooses to request a review of its assessment risk classification or a revision of computation of its quarterly assessment payment, or both, the institution must ensure that funds in an amount at least equal to the invoiced amount are available in the designated account for payment of its assessment. Any subsequent adjustments will be made in accordance with Section 327 of the FDIC's Rules and Regulations.

The attachment provides detailed information about the assignment of assessment risk classifications and the request-for-review process under the Risk-Related Premium System.

The information clarifies the process used to determine the capital group assignment for the surviving entity in a merger involving institutions with differing capital group assignments, and updates the instructions for requesting a review to include the address of FDIC officials now responsible for administering this program.

If you have questions, or do not receive your assessment invoice and the incorporated assessment risk classification notice within 15 days of the required mailing date, please call the FDIC's toll-free Assessment Hotline at 1-800-759-6596 (202-898-7090 in the Washington, D.C., area). Staff will be available to answer your questions between 8:30 a.m. and 4:30 p.m., Eastern Time.

Arthur J. Murton
Director

Attachment: [Determination of Assessment Risk Classifications](#)

Distribution: Insured Banks, Savings Associations and Branches of Foreign Banks

NOTE: Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street, NW, Room 100, Washington, DC 20434 (800-276-6003 or (703) 562-2200).