



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-28-2016
April 26, 2016

SMALL BANK PRICING

Final Rule

Summary: On April 26, 2016, the FDIC Board of Directors approved the attached final rule to improve the deposit insurance assessment system for established small insured depository institutions (generally, those banks with less than \$10 billion in total assets that have been insured for at least five years). The final rule is effective July 1, 2016. If the reserve ratio of the Deposit Insurance Fund (DIF) reaches 1.15 percent before that date, the final rule will determine assessment rates beginning July 1, 2016. If the reserve ratio has not reached 1.15 percent by that date, the final rule will determine assessment rates beginning the calendar quarter after the reserve ratio reaches 1.15 percent.

Statement of Applicability to Institutions under \$1 Billion in Total Assets: This Financial Institution Letter applies to institutions under \$1 billion in total assets.

Distribution:

All FDIC-Insured Institutions

Suggested Routing:

Chief Executive Officer
President
Chief Financial Officer

Related Topics:

[FDIC Regulations Governing the Assessment Process, 12 CFR Part 327](#)

Attachment:

[Final Rule](#)

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Note:

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Highlights

The final rule:

- Determines assessment rates for all established small banks using financial measures and supervisory ratings derived from a statistical model estimating the probability of failure over three years.
- Eliminates risk categories, but establishes minimum and maximum assessment rates for established small banks based on a bank's CAMELS composite ratings.
- Maintains the range of initial assessment rates that will apply once the DIF reaches 1.15 percent; thus, under the final rule, as under current regulations, initial deposit insurance assessment rates will fall once the reserve ratio reaches 1.15 percent.
- Is revenue neutral; that is, the final rule leaves aggregate assessment revenue collected from small banks approximately the same as it would have been absent the final rule.
- Does not require banks to report any additional data.