



May 22, 2009

FDIC Sets Special Assessment at 5bp Based on Assets and Cap Set at 10bp of Deposits

At its meeting today, the FDIC decided to do the following:

1. Impose a 5 basis point special assessment on each insured depository institution's assets minus its Tier 1 capital as reported in the report of condition of June 30, 2009 and collected on September 30, 2009;
2. Cap the special assessment at 10 basis points times the institution's assessment base for the second quarter of 2009 risk-based assessment;
3. Allow the FDIC Board of Directors ("Board") to impose additional special assessments of up to 5 basis points on all insured depository institutions based on each institution's assets minus Tier 1 capital for the third and fourth quarters of 2009, if the FDIC estimates that the Deposit Insurance Fund (DIF or the fund) reserve ratio will fall to a level that the Board believes would adversely affect public confidence or to a level that will be close to or below zero; [Chairman Bair said it an additional special assessment of 5bps was likely in the last quarter of 2009. She also stated she would issue a proposal for comment if assessment is larger.]
4. Cap any additional special assessment at 10 basis points times the institution's assessment base for the corresponding quarter's risk-based assessment; and,
5. Terminate authority to impose any additional special assessment under this Final Rule on January 1, 2010.

Background

The interim rule published by the FDIC would have imposed a 20bp assessment based on deposits for the second quarter 2009. Staff estimated that the new rule will approximately equal the amount that would have been collected by imposing a 7 and one-third special assessment on industry deposit base for the second quarter 2009 risk-based assessment.

Among other items, all of the regulators agreed to issue examiner guidance clarifying that the special assessment should not affect the supervisory component or composite rating of institutions.

John Dugan, The Comptroller of the Currency, was the only dissenter.

There was some discussion that the assessment based on assets as opposed to deposits may result in some banks with assets of 10B+ paying more.

The Staff memo on the final rule can be seen at <http://www.fdic.gov/news/board/May22no2.pdf>.

Please contact Marcia Sullivan msullivan@cbanet.org if you have questions or comments.