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FDIC Proposes Special Assessments to Recover Cost of Protecting Uninsured Depositors Amidst Bank Closures

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Today, the Federal Deposit Insurance Corporation (FDIC) published a [notice of proposed rulemaking](#) that would impose special assessments to recover losses to the Deposit Insurance Fund (DIF) arising from the FDIC's protection of uninsured depositors in the wake of the two significant bank closings in March 2023. The Federal Deposit Insurance Act requires the FDIC to recover any losses to the DIF as a result of protecting uninsured depositors through a special assessment. The law also provides the FDIC authority to consider the types of entities that benefited the most from the assistance provided.

In the [press release](#) announcing the issuance of the proposed rule, FDIC Chairman Martin J. Gruenberg stated, “[t]he proposal applies the special assessment to the types of banking organizations that benefitted most from the protection of uninsured depositors, while ensuring equitable, transparent, and consistent treatment based on amounts of uninsured deposits.”

Currently, the FDIC estimates the total cost attributable to protecting uninsured depositors related to the March bank closings to be approximately \$15.8 billion. The FDIC notes that the estimates in the proposed rule exclude the bank closing and sale announced on May 1, 2023. The FDIC is proposing to collect special assessments at an annual rate of approximately 12.5 basis points over eight quarters from banks with total assets over \$5 billion, which it estimates will result in total revenue of \$15.8 billion. It is estimated that a total of 113 banking organizations would be subject to the special assessment and banks with total assets over \$50 billion would pay more than 95% of the special assessment. The FDIC would retain the ability to cease collection early or extend the special assessment collection period one or more quarters. The FDIC is proposing an effective date of January 1, 2024, with special assessments collected beginning with the first quarterly assessment period of 2024 (i.e., June 28, 2024).

Interested parties may submit comments on the proposed rule until 60 days after publication of the proposed rule in the *Federal Register*.

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