



U.S. GOVERNMENT ACCOUNTABILITY OFFICE

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441 G St. N.W.  
Washington, DC 20548

B-333998

February 18, 2022

The Honorable Sherrod Brown  
Chairman  
The Honorable Patrick J. Toomey  
Ranking Member  
Committee on Banking, Housing, and Urban Affairs  
United States Senate

The Honorable Maxine Waters  
Chairwoman  
The Honorable Patrick McHenry  
Ranking Member  
Committee on Financial Services  
House of Representatives

Subject: *Federal Deposit Insurance Corporation: Simplification of Deposit Insurance Rules*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Federal Deposit Insurance Corporation (FDIC) entitled “Simplification of Deposit Insurance Rules” (RIN: 3064-AF27). We received the rule on February 4, 2022. It was published in the *Federal Register* as a final rule on January 28, 2022. 87 Fed. Reg. 4455. The effective date is April 1, 2024.

FDIC stated this final rule amends its regulations governing deposit insurance coverage. FDIC further stated the amendments simplify the deposit insurance regulations by establishing a “trust accounts” category that governs coverage of deposits of both revocable trusts and irrevocable trusts using a common calculation, and provides consistent deposit insurance treatment for all mortgage servicing account balances held to satisfy principal and interest obligations to a lender.

Enclosed is our assessment of FDIC’s compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Shari Brewster, Assistant General Counsel, at (202) 512-6398.

Shirley A. Jones  
Managing Associate General Counsel

Enclosure

cc: M. Andy Jiminez  
Director – Office of Legislative Affairs  
Federal Deposit Insurance Corporation

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE  
ISSUED BY THE  
FEDERAL DEPOSIT INSURANCE CORPORATION  
ENTITLED  
“SIMPLIFICATION OF DEPOSIT INSURANCE RULES”  
(RIN: 3064-AF27)

(i) Cost-benefit analysis

The Federal Deposit Insurance Corporation (FDIC) did not discuss the costs and benefits in the final rule. In its submission to us, FDIC indicated that it considered preparation of an analysis of the costs and benefits of this rule to be not applicable.

(ii) Agency actions relevant to the Regulatory Flexibility Act (RFA), 5 U.S.C. §§ 603–605, 607, and 609

FDIC stated that it does not believe this final rule will have a significant economic impact on a substantial number of small entities. However, FDIC further stated, some of the expected effects of the rule are difficult to assess or accurately quantify given current information, therefore it included a Regulatory Flexibility Act Analysis. For both the simplification of trust rules and the amendments to the mortgage servicing account rule, the analysis included (1) reasons why the action is being taken, (2) policy objectives, (3) legal basis, (4) the final rule, (5) small entities affected, (6) expected effects, (7) alternatives considered, and (8) other statutes and federal rules.

(iii) Agency actions relevant to sections 202–205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532–1535

As an independent regulatory agency, FDIC is not subject to the Act.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 *et seq.*

On August 3, 2021, FDIC published a proposed rule. 86 Fed. Reg. 41766. FDIC stated it received seven comments from national trade associations, a state banker’s association, a deposit solutions provider, and three individuals. FDIC went on to state that it reviewed the suggestions it received in the comments as a part of the process of developing this final rule.

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501–3520

FDIC determined that this final rule contains no information collection requirements under the Act.

Statutory authorization for the rule

FDIC promulgated this final rule pursuant to sections 1813, 1817, 1818, 1819, 1820, 1821, and 1822 of title 12, United States Code.

Executive Order No. 12866 (Regulatory Planning and Review)

As an independent regulatory agency, FDIC is not subject to the Order.

Executive Order No. 13132 (Federalism)

As an independent regulatory agency, FDIC is not subject to the Order.