



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

B-334745

November 7, 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: Assessments, Revised Deposit Insurance Assessment Rates*

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 "Assessments, Revised Deposit Insurance Assessment Rates" (RIN: 3064-AF83). We received the rule on October 25, 2022. It was published in the *Federal Register* as a final rule on October 24, 2022. 87 Fed. Reg. 64314. The effective date is January 1, 2023.

FDIC states that the final rule increases initial base deposit insurance assessment rate schedules by 2 basis points, beginning in the first quarterly assessment period of 2023. FDIC further states that the increase in assessment rate schedules will increase the likelihood that the reserve ratio will reach the statutory minimum of 1.35 percent by the statutory deadline of September 30, 2028, consistent with FDIC's Amended Restoration Plan, and is intended to support growth in the Deposit Insurance Fund (DIF) in progressing toward FDIC's long-term goal of a 2 percent Designated Reserve Ratio (DRR).

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.

A handwritten signature in black ink that reads "Shirley A. Jones".

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  
“ASSESSMENTS, REVISED DEPOSIT INSURANCE ASSESSMENT RATES”  
(RIN: 3064-AF83)

(i) Cost-benefit analysis

In its submission to us, the Federal Deposit Insurance Corporation (FDIC) indicated that it considered preparation of an analysis of the costs and benefits of this final 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 because the final rule relates directly to the rates imposed on insured depository institutions (IDIs) for deposit insurance, the final rule is not subject to the Act. Nevertheless, FDIC stated that it was voluntarily presenting information relevant to the RFA. FDIC indicated in this regard that approximately 3,394 IDIs would be considered small entities for purposes of the Act, that the final rule will increase initial base assessment rate schedules for these small entities by 2 basis points, and that the total annual amount paid in assessments by these small entities, in aggregate, will increase by approximately \$160 million, from \$317 million to \$475 million.

At the individual bank level, FDIC indicated that fewer than 350 small entities will experience annual assessment increases greater than \$100,000, and none will experience annual assessment increases greater than \$150,000. FDIC further indicated that these annual assessment increases are significant for only a handful of small entities because only five small entities will experience annual assessment increases greater than 2.5 percent of their noninterest expenses, and only two will experience annual assessment increases greater than 5 percent of what they paid in employee salaries and benefits.

(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 July 1, 2022, FDIC published a proposed rule. 87 Fed. Reg. 39388. FDIC stated that it received a total of 171 comments: 102 from IDIs or holding companies of IDIs, 10 from trade associations, 1 from Members of Congress, and 58 from other interested parties, primarily individuals affiliated with community banks. FDIC responded to comments in this final rule.

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

FDIC stated that the final rule does not create any new information collections or revise any existing information collections pursuant to the Act. Therefore, FDIC states that it has not requested review of any information collection request by the Office of Management and Budget.

Statutory authorization for the rule

FDIC promulgated this rule pursuant to sections 1813, 1815, 1817–1819, and 1821 of title 12 of the 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.