



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

Financial Institution Letter
FIL-57-2014
November 24, 2014

ASSESSMENTS

Final Rule

Summary: On November 18, 2014, the FDIC Board of Directors adopted the Assessments Final Rule. The Final Rule revises the FDIC's risk-based deposit insurance assessment system to reflect changes in the regulatory capital rules that go into effect in 2015 and 2018. For deposit insurance assessment purposes, the Final Rule will: (1) revise the ratios and ratio thresholds relating to capital evaluations, (2) revise the assessment base calculation for custodial banks, and (3) require that all highly complex institutions measure counterparty exposure for assessment purposes using the Basel III standardized approach in the regulatory capital rules. There are two effective dates for item (1): January 1, 2015, and January 1, 2018. The effective date for items (2) and (3) is January 1, 2015.

Statement of Applicability to Institutions Under \$1 Billion in Total Assets: This Financial Institution Letter applies to FDIC-insured institutions as follows: item (1) applies to all small institutions (generally, those with less than \$10 billion in assets), including those institutions under \$1 billion in total assets; item (2) applies to all custodial banks, including those institutions under \$1 billion in total assets; and item (3) does not apply 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
Risk-Based Capital Rules, 12 CFR Part 324, Basel III Assessments, NPR, 74 FR 42698 (July 23, 2014)

Attachment:

[Final Rule](#)

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Note:

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Highlights:

- The Final Rule follows a Notice of Proposed Rulemaking (NPR) that the FDIC approved for publication on July 15, 2014.
- The Final Rule conforms the capital ratios and ratio thresholds in the small institution assessment system to the new prompt corrective action (PCA) capital ratios and ratio thresholds recently adopted by the federal banking agencies.
- The Final Rule conforms the assessment base calculation for custodial banks to the new asset risk weights using the standardized approach in the new regulatory capital rules. It differs from the NPR in that the Final Rule allows for the deduction of certain low risk, liquid securitizations.
- The Final Rule requires that all highly complex institutions measure counterparty exposure for assessment purposes using the Basel III standardized approach credit equivalent amount for derivatives and the Basel III standardized approach exposure amount for securities financing transactions in the regulatory capital rules. The Final Rule differs from the NPR in that it allows certain cash collateral to reduce derivatives exposure.