

FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Part 327

RIN 3064–AG27

Assessments Thresholds, Rate Schedules, and Adjustments

AGENCY: Federal Deposit Insurance Corporation.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Federal Deposit Insurance Corporation (FDIC) invites public comment on a proposed rule that would amend the assessment regulations in 12 CFR part 327 to: update the \$10 billion asset threshold in the definitions of small and large institutions to \$30 billion and adjust the threshold every four years to reflect inflation, pursuant to a pre-determined indexing methodology; decrease initial base deposit insurance assessment rate schedules by 2 basis points for small institutions and by 1 basis point for large and highly complex institutions; provide a downward resolution readiness adjustment to assessment rates for large and highly complex institutions, including 0.5 basis points for passing virtual data room testing and 0.5 basis points for providing prescribed data access; and remove obsolete provisions.

DATES: Comments must be received no later than August 31, 2026.

ADDRESSES: You may submit comments on the notice of proposed rulemaking, identified by RIN 3064–AG27 using any of the following methods:

- **FDIC website:** <https://www.fdic.gov/federal-register-publications>. Follow the instructions for submitting comments on the agency website.

- **Email:** Comments@fdic.gov. Include RIN 3064–AG27 on the subject line of the message.

- **Mail:** Jennifer M. Jones, Deputy Executive Secretary, Attention: Comments—RIN 3064–AG27, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

- **Hand Delivery to FDIC:** Comments may be hand-delivered to the guard station at the rear of the 550 17th Street NW building (located on F Street NW) on business days between 7 a.m. and 5 p.m.

- **Public Inspection:** Comments received, including any personal information provided, may be posted without change to <https://www.fdic.gov/federal-register-publications>. Commenters should submit only information that the commenter wishes to make available publicly. The FDIC

may review, redact, or refrain from posting all or any portion of any comment that it may deem to be inappropriate for publication, such as irrelevant or obscene material. The FDIC may post only a single representative example of identical or substantially identical comments, and in such cases will generally identify the number of identical or substantially identical comments represented by the posted example. All comments that have been redacted, as well as those that have not been posted, that contain comments on the merits of the proposed rule will be retained in the public comment file and will be considered as required under all applicable laws. All comments may be accessible under the Freedom of Information Act.

This proposal, all comments received, and a summary of not more than 100 words of the proposed rule pursuant to the Providing Accountability Through Transparency Act of 2023 are available at <https://www.fdic.gov/federal-register-publications>.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

I. Background

A. Legal Framework

Pursuant to section 7 of the Federal Deposit Insurance (FDI) Act,¹ the FDIC has established a risk-based assessment system for calculating and charging all insured depository institutions (IDIs)² a

quarterly assessment for deposit insurance.³ The FDI Act defines a risk-based assessment system as a system for calculating a depository institution's assessment based on: (1) the probability that the Deposit Insurance Fund (DIF) will incur a loss with respect to the institution; (2) the likely amount of any such loss; and (3) the revenue needs of the DIF.⁴ The FDIC has established separate risk-based assessment systems⁵ and calculates a bank's assessment rate using different methods for small, large, and highly-complex institutions.⁶

Under the assessment regulations, the amount of an IDI's deposit insurance assessment is equal to its assessment base multiplied by its risk-based assessment rate.⁷ Generally, an IDI's assessment base equals its average consolidated total assets minus its average tangible equity.⁸ An IDI's risk-based assessment rate is determined each quarter based on supervisory ratings and information collected on the Consolidated Reports of Condition and Income (Call Report) or the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002), as appropriate.⁹

The assessment regulations generally define a small institution as an IDI with total assets of less than \$10 billion, as reported on the Call Report.¹⁰ Assessment rates for established small banks (*i.e.*, small banks that have been federally insured for at least five years) are calculated based on seven financial ratios and a weighted average of

“insured depository institution” as it is used in section 3(c)(2) of the FDI Act, 12 U.S.C. 1813(c)(2). As used in this notice, the term “small bank” is synonymous with the term “small institution,” as defined in 12 CFR 327.8(e), or using the proposed revised definition. Additionally, as used in this notice, the terms “large bank” and “highly complex institution” refer to an insured depository institution that meets the definition of a large institution or highly complex institution as defined in 12 CFR 327.8(f) and (g), or using the proposed revised definitions of those terms.

³ 12 CFR part 327.

⁴ See 12 U.S.C. 1817(b)(1)(C).

⁵ See 12 U.S.C. 1817(b)(1)(D).

⁶ See 12 CFR 327.16(a) and (b).

⁷ See 12 CFR 327.3(b)(1).

⁸ See 12 CFR 327.5(a).

⁹ See 12 CFR 327.16.

¹⁰ Banks that elect to use the community bank leverage ratio framework are also considered small institutions, even if those banks would otherwise meet the definition of a large institution. See 12 CFR 327.8(e)(3). An insured branch of a foreign bank is not considered a large institution. See 12 CFR 327.8(f).

A small institution is reclassified as a large institution beginning in the fourth consecutive quarter that it reports assets of \$10 billion or more on the Call Report. Similarly, a large institution is reclassified as a small institution beginning in the fourth consecutive quarter that it reports assets of less than \$10 billion on the Call Report.

¹ See 12 U.S.C. 1817(b).

² As used in this notice of proposed rulemaking, the term “bank” is synonymous with the term

supervisory CAMELS¹¹ components that are statistically significant in predicting the probability of an institution's failure over a three-year horizon.¹² The CAMELS composite rating is used to determine the minimum and maximum assessment rate for a small institution.

For purposes of deposit insurance assessments, a large institution is generally defined as an IDI that reports assets of \$10 billion or more on its Call Report for four consecutive quarters that does not meet the definition of a highly complex institution.¹³ A highly complex institution is generally defined as an institution that has \$50 billion or more in total assets and is controlled by a parent holding company that has \$500 billion or more in total assets, or is a processing bank or trust company.¹⁴ Assessment rates for large banks and highly complex institutions are calculated using a scorecard approach based on CAMELS component ratings and certain forward-looking financial measures to assess the risk that the institution poses to the DIF. One version of the scorecard applies to most large banks and another to highly complex institutions.¹⁵

As part of the risk-based assessment system, institutions are subject to certain adjustments to their assessment rates for factors that can increase or reduce loss to the DIF in the event the bank fails.¹⁶ For example, the unsecured debt adjustment is a downward adjustment intended to better account for certain liabilities that can reduce the loss to the DIF in the event of failure.¹⁷ The brokered deposit adjustment is an upward adjustment.¹⁸ In addition, the FDIC may adjust a large or highly complex institution's total score, which is used in the calculation of its assessment rate, to consider idiosyncratic or other relevant risk

factors not reflected in the appropriate scorecard.¹⁹

B. Overview of the Proposal and Policy Objectives

The FDIC, under its general rulemaking authority in section 9 of the FDI Act, and its specific authority under section 7 of the FDI Act to set assessments and establish a risk-based assessment system,²⁰ is proposing to make several revisions to the deposit insurance assessment regulations (the proposal), including to: (1) update the \$10 billion asset threshold in the definitions of small and large institutions to \$30 billion and adjust the threshold every four years to reflect inflation, pursuant to a pre-determined indexing methodology; (2) decrease initial base assessment rate schedules by 2 basis points for all small institutions, including new small institutions and insured branches of foreign banks, and by 1 basis point for large and highly complex institutions; and (3) provide a downward resolution readiness adjustment (RRA) to assessment rates for large and highly complex institutions electing to participate, including 0.5 basis points for passing voluntary virtual data room (VDR) testing and 0.5 basis points for providing prescribed data access. In addition, the FDIC is proposing to make certain technical amendments to the assessment regulations to remove obsolete provisions.

The FDIC continues to explore opportunities for updating the assessment regulations, including adjusting other thresholds and possible updates and improvements to the scorecard methodology applied to calculate assessments for large banks and highly complex institutions. Any future updates would be made through a separate notice and comment rulemaking.

1. Proposed Updates to Small and Large Institution Definitions

The FDIC is proposing to update the definitions of small and large institutions that determine which risk-based deposit insurance assessment methodology is applied to calculate an institution's deposit insurance assessment rate.²¹ Specifically, the FDIC is proposing to update the asset-based threshold (the assessment methodology threshold) used to define small and large institutions from \$10 billion to \$30 billion and to adjust the threshold every

four years to reflect inflation, pursuant to a pre-determined indexing methodology which would generally align with the methodology used to adjust certain other thresholds within FDIC regulations.²²

The primary objective of the proposed update and future indexing is to provide for a more durable deposit insurance assessment framework by preserving, in real terms, the assessment methodology threshold used to define small and large institutions. The inflation adjustment would also preserve the FDIC's ability to apply different assessment methodologies based on size that are more appropriate to banks' risk profiles and risk exposure to the DIF.

2. Proposed Revisions to Assessment Rates

The FDIC is also proposing revisions to deposit insurance assessment rate schedules. First, the proposal would decrease initial base deposit insurance assessment rate schedules uniformly by 2 basis points for IDIs that meet the proposed definition of a small institution, and by 1 basis point for IDIs that meet the proposed definition of a large institution or that are highly complex institutions. The proposed reductions would only apply to initial base assessment rate schedules applicable while the reserve ratio is less than 2 percent.²³

3. The Resolution Readiness Adjustment

The proposed rule would amend the risk-based assessment system to include a downward adjustment, the RRA, of up to 1 basis point to initial base assessment rates if a large or highly complex institution elects to (1) submit to testing of the institution's ability to populate a VDR with information that could be used to market a bank in the event of its failure; and/or (2) provide the FDIC access to an institution's service provider(s) and/or internal systems to obtain detailed bank data needed to manage and market the bank in receivership. The RRA would be applied to a large or highly complex institution's assessment rate in recognition of the expected reduction in losses to the DIF in the event of the failure of a bank that successfully

¹¹ Bank examiners review and evaluate an institution's condition using the Uniform Financial Institutions Rating System, also known as CAMELS (Capital, Asset quality, Management, Earnings, Liquidity, and Sensitivity to market risk). CAMELS ratings are scored on a scale of "1" (best) to "5" (worst). Examiners assign a rating for each CAMELS component and an overall Composite rating.

¹² See 12 CFR 327.16(a); see also 81 FR 32180 (May 20, 2016).

¹³ See 12 CFR 327.8(f).

¹⁴ See 12 CFR 327.8(g).

¹⁵ See 12 CFR 327.16(b)(1) and (2); see also 76 FR 10672 (Feb. 25, 2011) and 77 FR 66000 (Oct. 31, 2012).

¹⁶ See 12 CFR 327.16(e).

¹⁷ *Id.* See also 74 FR 9525 (Mar. 4, 2009) and 76 FR 10672, 10680 (Feb. 25, 2011). The unsecured debt adjustment applies to all institutions except new institutions and insured branches of foreign banks.

¹⁸ See 12 CFR 327.16(e)(3).

¹⁹ See 12 CFR 327.16(b)(3); see also Assessment Rate Adjustment Guidelines for Large and Highly Complex Institutions, 76 FR 57992 (Sept. 19, 2011).

²⁰ See 12 U.S.C. 1817 and 1819 (Tenth).

²¹ See 12 CFR 327.8(e) and (f).

²² See Adjusting and Indexing Certain Regulatory Thresholds, 90 FR 55789 (Dec. 4, 2025). Any references to inflation in this proposal refer to inflation as measured under the consumer price index for urban wage earners and clerical workers (CPI-W), unless specifically noted otherwise.

²³ Progressively lower assessment rate schedules will take effect when the reserve ratio exceeds 2 percent and 2.5 percent, and the FDIC did not modify those schedules when increasing rates in 2023. See 12 CFR 327.10(c) and (d). See also 87 FR 64314 (Oct. 24, 2022).

completes the VDR testing exercise and/or provides the prescribed data access.²⁴

The RRA would be applied to a bank's initial base assessment rate prior to application of any other applicable adjustments to initial base assessment rates. Under the current regulations, the minimum initial base assessment rate applied to large and highly complex institutions becomes progressively lower when the reserve ratio reaches 2 percent and 2.5 percent. Under the proposal, the minimum initial base assessment rates applied to large and highly complex institutions would still become progressively lower, but the decrease would be smaller in order to incorporate the RRA.

Under the revised schedules, a large or highly complex institution at the minimum initial base assessment rate that also earns the full 1 basis point RRA would be eligible to receive the same maximum unsecured debt adjustment as it would under the rate schedules applied in the current regulation after the reserve ratio reaches 2 percent. In addition, under the proposed rate schedules, the minimum assessment rate after application of all adjustments would be the same for large and highly complex institutions and for small banks, which is equal to the minimum assessment rates applied prior to the increase implemented in 2023.²⁵

4. Technical Amendments To Remove Obsolete Content

The FDIC is also proposing technical amendments to its regulations governing deposit insurance assessments to remove obsolete provisions that are no longer applicable and have not been applicable to any IDI for at least three years.

II. Updating Definitions of Small and Large Institutions

A. Background

The FDIC is proposing to amend the definitions of small and large institutions in the assessment regulations. Under the assessment regulations, the definitions of small, large, and highly complex institutions determine which risk-based deposit insurance assessments methodology is applied when calculating an institution's deposit insurance assessment rate.²⁶

²⁴ The FDI Act requires the FDIC to establish a risk-based assessment system for calculating an IDI's assessment based on the probability that the DIF will incur a loss with respect to that IDI and the likely amount of any such loss, among other factors. See 12 U.S.C. 1817(b)(1)(C).

²⁵ See *supra* fn 23.

²⁶ See 12 CFR 327.8(e), (f), and (g).

The current definitions of small and large institutions, first adopted in 2006, use certain static, dollar-based thresholds, which have not been updated in twenty years. Adjusting these thresholds on a consistent schedule would mitigate the risk that the deposit insurance assessment system becomes less effective at differentiating risk and more burdensome on smaller institutions due solely to inflation rather than meaningful changes in an institution's size, risk profile, or level of complexity.

Under the proposal, the dollar-based asset threshold used to define small and large institutions would be updated and adjusted in the future to reflect inflation, pursuant to a pre-determined indexing methodology. The primary objective of this component of the proposal is to provide for a more durable deposit insurance assessment framework by preserving, in real terms, the threshold used to define small and large institutions. The inflation adjustment, in combination with the proposed threshold and definition updates, also would preserve the FDIC's ability to apply different assessment methodologies based on size and engagement in certain activities that are more appropriate to banks' risk profiles and risk exposure to the DIF.

In the absence of these ongoing threshold adjustments, institutions would also become subject to additional assessment-related reporting requirements as they grow above the threshold. This additional reporting burden may be justified in cases where asset growth reflects changes to actual size, risk profile, and complexity but would be less appropriate to the extent that growth instead reflects inflation. Adjusting regulatory thresholds over time helps preserve the intended use and application, in real terms, of additional reporting requirements and helps ensure that IDIs are assessed appropriately, commensurate with the risk they pose to the DIF.

B. Current Definitions of Small and Large Institutions

For established institutions that are not insured branches of foreign banks, asset size, as measured by total assets reported on the Call Report, is the sole factor used by the FDIC to determine whether an institution's assessment rate is calculated using the pricing methodology for small institutions or large institutions.²⁷ The FDIC's assessment regulations generally define

a small institution as an IDI with total assets of less than \$10 billion, as reported on the Call Report, while a large institution is defined as an IDI that reports total assets of \$10 billion or more on its Call Report for four consecutive quarters and that does not meet the definition of a highly complex institution.²⁸ The \$10 billion asset size threshold has been in place since the FDIC first established separate risk-based pricing methods for large and small banks in 2006.²⁹

C. Proposed Increase in the Asset Threshold in the Definitions of Small and Large Institutions

The FDIC is proposing to update the asset-based threshold in the assessment regulations used to define small and large institutions for deposit insurance assessments purposes and to determine whether assessment rates are calculated using the small bank pricing methodology or the large bank scorecard approach from \$10 billion in total assets to \$30 billion in total assets. In future years, the proposed assessment methodology threshold of \$30 billion would be adjusted on a consistent basis as later described in section II.F. of this Supplementary Information.

An institution that is priced as a large institution immediately prior to the effective date of any final rule but that reports less than \$30 billion in total assets would be classified as a small institution as of the effective date of any final rule. Such a bank would not need to report less than \$30 billion in total assets for four consecutive quarters before being reclassified as small. Thereafter, a small institution would be reclassified as a large institution only if it reports total assets of \$30 billion (or such threshold adjusted in the future for inflation) or more for four consecutive quarters. Similarly, a large institution would be reclassified as a small institution only if it reports total assets under \$30 billion (or such threshold adjusted in the future for inflation) for four consecutive quarters.

For large and highly complex institutions, the FDIC can adjust the total score based on relevant risk or risk-mitigating factors that are not adequately reflected in the scorecards.³⁰ The proposed increase in the assessment methodology threshold from \$10 billion to \$30 billion has the effect that institutions with total assets under \$30 billion that are not priced as large banks would not be considered for these potential score adjustments, though the

²⁷ Generally, an established institution is one that has been federally insured for at least five years. See 12 CFR 327.8(k).

²⁸ See *supra* fn 10.

²⁹ See 71 FR 69270, 69281 (Nov. 30, 2006).

³⁰ See 76 FR 57992 (Sept. 19, 2011).

adjustment guidelines would be retained and would be unchanged for an institution that would meet the proposed definition of a large institution or that is defined as a highly complex institution.

The proposed assessment methodology threshold of \$30 billion in total assets is consistent with the recent update to the FDIC's continuous examination process. The FDIC has historically supervised banks under either a point-in-time examination process or a continuous examination process. Prior to recent changes, nearly all FDIC-supervised banks with \$10 billion or more in total assets were subject to the continuous examination process, as were a small handful below \$10 billion in total assets based on certain risk considerations. The FDIC recently raised the threshold for presumptive inclusion in the continuous examination process from \$10 billion to \$30 billion in total assets, while retaining the ability to include a bank below \$30 billion in total assets if warranted.³¹

1. Analysis

The FDIC anticipates that increasing the assessment methodology threshold to \$30 billion in total assets would shift the share of industry assets held by banks priced using the scorecard methodology to more closely align with the share held by such institutions in 2011, when the current large bank and highly complex scorecard methodology was first implemented. At that time, institutions priced as large or highly complex institutions made up 78.9

percent of industry assets. As of December 31, 2025, that share has increased to 85.0 percent. Under the proposed \$30 billion assessment methodology threshold, large and highly complex institutions would make up 79.5 percent of industry assets based on data as of December 31, 2025.

The FDIC anticipates that increasing the assessment methodology threshold to \$30 billion in total assets would result in 76 institutions shifting from the large bank pricing scorecard methodology to the small bank pricing methodology based on data as of December 31, 2025.

The FDIC estimates that among the 76 institutions that would shift from the large bank pricing scorecard methodology to the small bank pricing methodology as a result of the proposal, almost all would pay less in assessments, particularly after applying the proposed 2 basis point reduction in initial base assessment rate schedules applicable to small banks detailed below. However, to mitigate possible effects on some institutions, the FDIC is proposing to provide for a one-time election for reclassified institutions to be temporarily priced using the large bank scorecard methodology to mitigate any impact and allow for a transition, as described below.

The overall impact to institutions' assessments from the proposed change in definitions would vary by institution, based on differences in the pricing methodologies for small and large banks and the institution's specific financial data and supervisory ratings. Therefore, the shift in pricing methodology is expected to result in varied financial outcomes for the affected IDIs, which will further vary over time and through banking and economic cycles. For example, a given bank likely would have paid a lower rate when priced as large in 2020 due to the influx of deposits in response to the pandemic and related relief efforts which improved liquidity and core deposits measures applicable to large banks, whereas the small bank pricing methodology directly prices for rapid asset growth.

Generally, possible impacts could include, but would not be limited to, banks with significant concentrations in higher-risk assets or elevated funding stress paying lower assessments, and banks with greater concentrations in core deposits or larger government guaranteed loan portfolios paying higher assessments under the small bank pricing methodology relative to the current large bank scorecard methodology. Institutions with higher leverage ratios could also pay lower assessments if shifted to the small bank pricing methodology. These potential effects arise because the small bank pricing methodology uses a different set of financial measures and weights based on how the measures corresponded with the probability of failure for small banks.

In aggregate and disregarding the other proposed changes to the assessment regulations in this proposal, the proposed increase in the assessment methodology threshold is estimated to result in an approximate net decrease of \$129 million in annual assessments based on data as of December 31, 2025.³² This component of the proposal, if adopted, is therefore expected to reduce the banking industry's aggregate assessment cost, with varied impacts on individual affected institutions depending on how their specific risk profiles at a specific point in time are priced under the small bank pricing methodology.

The FDIC analyzed the similarity between institutions with total assets between \$1 billion and \$10 billion and the 76 institutions with assets between \$10 billion and \$30 billion that would be reclassified as small institutions under the proposal. As reflected in Table 1, on average, both groups reported approximately similar shares of deposit and loan types and leverage ratios as of December 31, 2025.³³

³² Analysis is based on data from the Call Report and FFIEC 002 for the reporting period that ended December 31, 2025, reported as of February 16, 2026.

³³ The regulatory and reporting requirements for institutions with total assets under \$1 billion generally differ from that of those with over \$1 billion. See, e.g., 12 CFR 363.1(a).

³¹ See FDIC Chairman Travis Hill, "Oversight of Prudential Regulators," Testimony, Committee on Financial Services, United States House of Representatives, December 2, 2025, available at: <https://www.fdic.gov/news/speeches/2025/oversight-prudential-regulators>. A revised assessment methodology threshold of \$30 billion in total assets is also consistent with recent actions taken by the Office of the Comptroller of the Currency (OCC) to tailor its regulatory and supervisory frameworks to minimize burden for its regulated institutions and promote economic growth. See OCC News Release, "OCC Announces Actions to Reduce Regulatory Burden for Community Banks," October 6, 2025, available at: <https://occ.gov/news-issuances/news-releases/2025/nr-occ-2025-95.html>.

Table 1—Comparison of Small Institutions Across Select Financial and Capital Ratios

	Small Institutions with Total Assets between \$1 billion and \$10 billion	Institutions Reclassified as Small under the Proposal (Total Assets between \$10 billion and \$30 billion)
Count of Institutions	897	76
Liabilities		
Average Share of Foreign Deposits (%)	0.09	0.18
Average Share of Uninsured Deposits (%)	32.6	34.8
Average Share of Insured Brokered Deposits (%)	6.1	8.3
Assets		
Average Share of Real Estate Loans (%)	55.2	45.1
Average Share of Commercial & Industrial Loans (%)	9.7	8.8
Average Share of Agricultural Loans (%)	1.4	0.3
Average Leverage Ratio (%)	11.1	10.3

Source: FDIC Call Reports December 2025, reported as of February 16, 2026.

Note: Asset size ranges include the lower value and exclude the higher value. Analysis assumes institutions that report null values for foreign deposits on their Call Reports have zero such deposits.

Institutions that would shift from the large bank scorecard methodology to the small bank pricing methodology would also benefit from a reduction in reporting burden, as large institutions must report granular data on higher-risk asset exposures and specific liability concentrations under the scorecard approach. These reporting burden reductions would be expected to create operational savings for the reclassified IDIs.

2. Alternatives Considered

In developing the proposal, the FDIC considered alternatives to the proposed \$30 billion assessment methodology threshold, including maintaining the \$10 billion threshold or increasing the assessment methodology threshold to \$20 billion, \$25 billion, or \$50 billion.

The FDIC believes that maintaining the current \$10 billion assessment methodology threshold would not be appropriate because institutions between \$10 billion and \$30 billion in total assets are more appropriately priced using the small bank pricing methodology than the large bank scorecard. Increasing the asset-based threshold in the definitions of small and large banks in the assessments regulations to \$30 billion would more closely align the share of industry assets

held by banks priced using the scorecard methodology under the proposal with the share held by such institutions when the current large bank and highly complex scorecard methodology was first implemented in 2011. At that time, institutions priced as large or highly complex institutions made up 78.9 percent of industry assets. As of December 31, 2025, that share has increased to 85.0 percent. Under the proposed \$30 billion assessment methodology threshold, large and highly complex institutions would make up 79.5 percent of industry assets based on data as of December 31, 2025.

Further, institutions that would shift from the large bank scorecard methodology to the small bank pricing methodology under the proposal demonstrate certain similarities with other small institutions. For example, and as described above, small institutions with total assets between \$1 billion and \$10 billion report approximately similar shares of foreign deposits, uninsured deposits, and real estate loans as those of the 76 institutions that would shift from the large bank pricing scorecard methodology to the small bank pricing methodology under the proposal.

The FDIC considered several alternative thresholds. In general,

relative to the alternatives considered, the FDIC believes that the proposed threshold of \$30 billion best preserves its intended purpose as it most closely aligns with the shares of industry assets held by small and large institutions in 2011, when the current large bank pricing methodology was implemented, but seeks comments on alternatives.

Question 1: What are the advantages and disadvantages of updating the threshold for defining an institution as small or large for deposit insurance assessments purposes from \$10 billion in total assets to \$30 billion in total assets, as described above? Should the FDIC consider other asset thresholds for defining an institution as small or large for deposit assessment purposes? Are there any other factors the FDIC should consider?

Question 2: What are the potential unintended consequences, if any, of establishing a higher threshold for deposit insurance assessments purposes?

D. Removing the Option for a Small Institution To Request That the FDIC Determine Its Assessment Rates as a Large Institution

The FDIC's assessment regulations currently permit a small institution with assets between \$5 billion and \$10

billion to request that the FDIC determine its assessment rate as a large institution.³⁴ Approved requests become effective within one year of the date of the request. If an institution whose request has been granted subsequently reports total assets of less than \$5 billion in its Call Report for four consecutive quarters, the institution shall be deemed a small institution for assessment purposes. If the FDIC approves an institution's request to be treated as a large institution, the institution is not eligible to request to be assessed as a small institution for a period of three years from the first quarter its approval became effective.

Small institutions that have exercised this option generally have paid lower assessments under the large bank scorecard approach relative to the small bank pricing methodology. However, several additional reasons for requesting this option have been cited, including anticipated growth above the \$10 billion threshold and having an affiliated large bank with which the small bank shares the same reporting and risk framework.

The FDIC is proposing to remove this option to promote fairness, simplicity, and accuracy in risk-based deposit insurance assessments. Additionally, if the assessment methodology threshold is consistently adjusted in the future to reflect inflation, banks will be less likely to naturally grow above the threshold. The FDIC expects the impact of removing this provision to be minimal given that only nine requests were received in the last ten years.

Question 3: What are the advantages and disadvantages of eliminating the option for a small institution to request treatment as a large institution for purposes of the assessment regulations, as described above?

Question 4: What are the potential unintended consequences, if any, of eliminating this option?

E. One-Time Election for Reclassified Institutions To Be Temporarily Priced Using the Large Bank Scorecard Pricing Methodology

Under the proposal, an institution priced as a large institution immediately prior to the effective date of any final rule that reports total assets below the updated threshold of \$30 billion would be priced as a small institution as of the effective date of any final rule. To mitigate possible effects on some institutions, including the potential "cliff effect" of immediately switching pricing frameworks, the FDIC is proposing to provide any bank classified as a large institution immediately prior

to the effective date of any final rule that report total assets below \$30 billion a one-time option to temporarily continue to be priced as a large institution. Under the proposal, a bank that exercises this option would be ineligible for the RRA unless and until the bank meets the proposed definition of a large institution by reporting total assets of \$30 billion (or such threshold adjusted in the future for inflation) or more for four consecutive quarters and elects to submit to VDR testing or provides the prescribed data access.

An institution electing this option would continue to be priced as a large institution for eight consecutive quarters (inclusive of the first quarter) after the effective date of any final rule. If an institution that elects to be priced as a large institution and has not reported total assets of \$30 billion or more for at least four consecutive quarters reports total assets of less than \$30 billion at the end of the eight-quarter transition period, it will be classified as a small institution beginning on the first day of the subsequent quarter. If an institution that elects to be priced as a large institution reports total assets of \$30 billion or more for four consecutive quarters during the eight-quarter transition period, it would be classified as a large institution unless and until it subsequently reports total assets below the proposed threshold of \$30 billion for four consecutive quarters.

To elect this option, an eligible institution would be required to provide notice to the FDIC indicating its one-time election for the FDIC to determine its assessment rate as a large institution for a period of time not to exceed the eight-quarter transition period, as defined under the proposal. The FDIC anticipates posting on its website a form letter that an eligible institution can submit as notice. The FDIC must receive such correspondence by mail or email prior to the end of the quarter in which any final rule becomes effective.

1. Alternatives Considered

An alternative to the proposed approach would be to allow banks reporting total assets between \$10 billion and \$30 billion a one-time election to remain a large institution for a longer period—for example, until the next indexing adjustment. Another alternative would be to reclassify banks as small or large based on their asset size as of the effective date of any final rule without allowing any transition period.

The FDIC believes that providing for a transition period would mitigate possible effects on some institutions, including the potential "cliff effect" of

immediately switching pricing frameworks and invites comment, including the appropriate length of any transition.

Question 5: What are the advantages and disadvantages of providing an institution that is reclassified as a small institution as a result of the proposed update to the assessment methodology threshold a one-time option to continue to be priced as large for eight consecutive quarters following the effective date of any final rule?

Question 6: Should the FDIC consider a shorter or longer transition period for institutions reclassified as small institutions as a result of the proposal? Please explain.

Question 7: Should the FDIC permit an institution that exercises the election to be treated as a large institution to be eligible for all or some of the RRA during the time period it is priced as a large institution?

F. Indexing of Threshold Used To Define Small and Large Institutions

Under the proposal, the dollar-based threshold included in the proposed definitions of a small and large institution would be updated and adjusted every four years to reflect inflation, pursuant to a pre-determined indexing methodology. Specifically, the proposed indexing methodology would adjust the threshold based on the consumer price index for urban wage earners and clerical workers (CPI-W) published by the U.S. Bureau of Labor Statistics.³⁵ The use of CPI-W to index thresholds is consistent with the indexing methodology in other bank regulations.³⁶ Further, the indexing methodology included under the proposal would generally align with the methodology used to adjust certain

³⁵ The U.S. Bureau of Labor Statistics publishes the CPI-W on a monthly basis. The CPI-W is used to annually adjust benefits paid to Social Security beneficiaries and Supplemental Security Income recipients. See U.S. Social Security Administration, CPI for Urban Wage Earners and Clerical Workers, available at: www.ssa.gov/oact/STATS/cpiw.html.

³⁶ The use of CPI-W to index thresholds is consistent with other bank regulations, such as those relating to the Community Reinvestment Act and the March 2026 proposed updates to the regulatory capital rules. The indexing methodology would also generally align with the methodology used to adjust certain thresholds within FDIC regulations. See, e.g., Community Reinvestment Act Regulations Asset-Size Thresholds, 89 FR 106480, 106481 (Dec. 30, 2024); Regulatory Capital Rule: Category I and II Banking Organizations, Banking Organizations With Significant Trading Activity, and Optional Adoption for Other Banking Organizations, 91 FR 14952, 14960 (Mar. 27, 2026); and Regulatory Capital Rules: Regulatory Capital and Standardized Approach for Risk-Weighted Assets, 91 FR 15332, 15364 (Mar. 27, 2026). See also 12 CFR 229.11.

³⁴ 12 CFR 327.16(f)(1).

other thresholds within FDIC regulations.³⁷

Under the proposal the asset-based threshold defining small and large institutions for purposes of deposit insurance assessments would be adjusted at the end of every consecutive four-year period based on the cumulative percent change of the non-seasonally adjusted CPI-W since the effective date of any final rule. This four-year period is intended to provide an appropriate cadence for capturing meaningful changes in inflation on a timely basis while minimizing the burden of adjustment. The proposed four-year cadence differs from the two-year cadence proposed in the March 2026 proposed updates to the regulatory capital rules and adopted in other FDIC regulations in consideration of the requirement that an institution exceed the dollar-based asset threshold in the definitions of small and large institutions in the assessment regulations for at least four consecutive quarters before a definition becomes applicable.³⁸

The proposal would not lower the threshold in the event of deflation.³⁹ In contrast to the indexing methodology included in the March 2026 proposed updates to the regulatory capital rules, the threshold defining small and large institutions in the assessment regulations would not be adjusted during any intervening calendar year to address the possibility of periods of unusual inflation. The FDIC believes this difference is appropriate given the requirement that an institution must generally report dollar amounts above or below the asset threshold defining small and large institutions in the assessment regulations for four consecutive quarters in order to meet the criteria for applicability of the definitions and the regular cadence of threshold adjustments would instill consistency and transparency in quarterly assessment payments for IDIs.

Additionally, the threshold adjusted under the proposed indexing methodology would be rounded based on the size of the threshold (*e.g.*, billions, millions, thousands), generally, to the nearest two significant digits, as appropriate.⁴⁰

To effectuate future threshold adjustments under the proposal, the FDIC would announce the thresholds adjusted in accordance with the indexing methodology by issuing a final rule in the **Federal Register** to announce the updated threshold without notice and comment. Although the FDIC would be required to publish a final rule in the **Federal Register**, the adjustment would occur even in the absence of publication in the **Federal Register**.

Threshold adjustments would be calculated based on cumulative CPI-W data through August of the year in which the adjustment is made, relative to the same initial baseline and would be effective for the assessment period beginning on October 1 of the year during which an adjustment is made.⁴¹ An institution priced as a large bank immediately prior to the effective date of any final rule announcing a threshold update that reports total assets below the updated threshold, would be priced as a small bank as of the effective date of any final rule.⁴²

1. Alternatives Considered

In developing this proposal and in proposing and finalizing the first phase of adjustments to certain thresholds within FDIC regulations,⁴³ the FDIC considered other factors that could be used to adjust certain thresholds in the assessment regulations to preserve the threshold levels in real terms over time.⁴⁴ For example, the indexing methodology could rely on an alternative index or measure of inflation (*e.g.*, core versus non-core measures). Additionally, the FDIC considered using changes in economic growth, such as gross domestic product (GDP), or banking industry assets as well as alternative approaches using a less or more frequent cadence or a process that is less automated (*e.g.*, requiring Board approval or public notice and comment).

Properly constructed, periodic adjustments can avoid unintended and undesirable outcomes. For example, frequent adjustments in the absence of

meaningful change can result in inefficiencies, as institutions realign their reporting and balance sheet management practices to reflect adjusted thresholds. Conversely, infrequent adjustments increase the risk that the intended purpose of the threshold is not preserved consistently over time.

A threshold may be periodically updated through ad-hoc review or consistent adjustments. An ad-hoc approach that does not pre-determine future adjustments may better preserve the threshold's intended application by allowing consideration of relevant contextual factors at each future adjustment. Such an approach may also be less predictable and introduce inefficiencies. Conversely, periodic adjustments using a pre-determined indexing methodology based on one or more specified factors, such as inflation, would increase efficiency and predictability, but may limit flexibility in cases where the measure is less relevant to a future context.

Finally, the threshold used in the assessment regulations to define an institution as a small or large institution and determine which assessment methodology is applied can influence a bank's decision to grow, as a bank's deposit insurance assessment rate may increase or decrease depending on whether it is defined as a small, large, or highly complex institution. Moreover, while all banks are required to report certain items on the Call Report, as noted above, large and highly complex institutions have additional reporting requirements related to assessments.

In general, properly structured and appropriately sequenced threshold adjustments promote consistent application of regulatory requirements over time and contribute to a more durable regulatory framework that enhances the overall efficacy of the risk-based assessment system. In addition, such adjustments can enhance transparency and certainty and therefore allow for more enhanced balance sheet management practices for IDIs.

As noted in the FDIC's 2025 final rule on adjusting and indexing certain regulatory thresholds, many commenters supported the proposed indexing methodology and related process for automatic threshold adjustments.⁴⁵ The FDIC is proposing substantively the same indexing methodology as the 2025 final rule, with the exception of the four-year cadence and disallowing adjustments in intervening years for periods of unusual

³⁷ The U.S. Bureau of Labor Statistics publishes the CPI-W on a monthly basis.

³⁸ Deposit insurance assessments are collected quarterly in arrears. For example, for deposit insurance coverage in the first quarter of each year (*i.e.* from January 1 through March 31), institutions are invoiced and payment is due in June of each year. Accordingly, if an institution is reclassified as a small institution with an effective date of January 1, for example, payment for the institution's first quarterly assessment calculated pursuant to the small bank pricing methodology would not be invoiced and due until June. See 12 CFR 327.3(b)(2).

³⁹ See *supra* fn 22.

⁴⁰ See 90 FR 35449, 35458 (Jul. 28, 2025). See also 90 FR 55789, 55791 (Dec. 4, 2025).

⁴⁵ See *supra* fn 22.

³⁷ See *supra* fn 22.

³⁸ See 91 FR 14952, 14960 (Mar. 27, 2026) and 91 FR 15332, 15364 (Mar. 27, 2026). See also 90 FR 55789 (Dec. 4, 2025).

³⁹ Any periods of deflation would be reflected in future threshold increases, as threshold adjustments in the future would be based on the positive net cumulative change in CPI-W.

⁴⁰ For example, a threshold that would otherwise be calculated as \$30.964 billion would be rounded to \$31 billion.

inflation, in lieu of alternatives, to reflect that general support.

Comments on the 2025 final rule on adjusting and indexing certain regulatory thresholds were mixed as to whether to use CPI-W as the reference index under the proposed indexing methodology. A few commenters supported the FDIC applying the same methodology when updating and adjusting thresholds across its regulations. Others suggested alternatives to CPI-W, including nominal GDP, banking industry assets, or an approach that would tailor the reference index by threshold type—for example, using CPI-W for consumer-facing monetary thresholds, and nominal GDP for asset-based thresholds. In general, the FDIC is proposing to update the assessment methodology threshold using CPI-W rather than using one or more other potential measures to promote consistency and reduce complexity across regulatory thresholds.

The FDIC considered these alternatives and comments in developing the proposal for adjusting thresholds in the assessment regulations. The FDIC requests additional feedback on all alternative approaches discussed and any other alternative approaches that should be considered.

The FDIC continues to evaluate other dollar-based thresholds in the assessment regulations and may consider soliciting comment on updating and adjusting additional thresholds through a subsequent proposal to amend the assessment regulations.

Question 8: What are the advantages and disadvantages of the proposed approach for indexing the threshold used for defining large and small institutions for purposes of deposit insurance assessments? What alternatives should the FDIC consider and why?

Question 9: What are the advantages and disadvantages of using a different index for adjusting the threshold, such

as banking industry assets, nominal GDP, or the GDP deflator, instead of CPI-W?

Question 10: Should the FDIC consider a shorter or longer interval than four years for automatic threshold adjustments, and if so, why?

Question 11: What are the advantages and disadvantages of discretionary off-year adjustments for periods of unusual inflation? Should the FDIC consider a framework for adjustment in off years, and if so, why?

III. Proposed Revisions to Assessment Rates

A. Background

1. Deposit Insurance Assessment Rates

Pursuant to section 7 of the FDI Act, the FDIC has established a risk-based assessment system through which it charges all IDIs an assessment amount for deposit insurance.⁴⁶ Under the FDIC's assessment regulations, an IDI's assessment amount is equal to its assessment base multiplied by its risk-based assessment rate.⁴⁷ The FDIC is authorized to set assessments for IDIs in such amounts as the FDIC may determine to be necessary or appropriate.⁴⁸ In setting assessment rates, the FDIC is required by statute to consider the following factors:

(i) The estimated operating expenses of the DIF.

(ii) The estimated case resolution expenses and income of the DIF.

(iii) The projected effects of the payment of assessments on the capital and earnings of IDIs.

(iv) The risk factors and other factors taken into account pursuant to section 7(b)(1) of the FDI Act (12 U.S.C. 1817(b)(1)) under the risk-based assessment system, including the requirement under such section to maintain a risk-based system.⁴⁹

(v) Other factors the FDIC has determined to be appropriate.⁵⁰

In addition, the FDIC Board of Directors (Board) is authorized to uniformly increase or decrease the total base rate assessment schedule up to a

maximum of 2 basis points or a fraction thereof, as the Board deems necessary, without further rulemaking.⁵¹

2. Current Assessment Rate Schedules and the Reserve Ratio

Effective January 1, 2023, the FDIC adopted an increase in initial base deposit insurance assessment rate schedules of 2 basis points as part of the statutorily-required Restoration Plan.⁵² Those rate schedules are currently in effect and are detailed below.⁵³ Progressively lower assessment rate schedules will take effect when the reserve ratio exceeds 2 percent and 2.5 percent, and the FDIC did not modify those schedules when increasing rates in 2023.⁵⁴

As of June 30, 2025, the reserve ratio increased to 1.36 percent, above the statutory minimum of 1.35 percent. Therefore, the FDIC is no longer operating under a Restoration Plan. The reserve ratio was 1.43 percent as of March 31, 2026, and has continued to progress toward the FDIC's long-term goal of a 2 percent designated reserve ratio (DRR).⁵⁵

a. Current Assessment Rate Schedules for Established Small Institutions and Large and Highly Complex Institutions

Assessment rates for established small institutions and large and highly complex institutions currently in effect while the reserve ratio is less than 2 percent are set forth in Table 2 below.

An institution's total base assessment rate may vary from the institution's initial base assessment rate as a result of possible adjustments for certain liabilities that can increase or reduce loss to the DIF in the event the institution fails.⁵⁶ After applying all possible adjustments, the current minimum and maximum total base assessment rates for established small institutions and large and highly complex institutions are set forth in Table 2 below.⁵⁷

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adopt a restoration plan when the DIF reserve ratio falls below the statutory minimum of 1.35 percent or is expected to within 6 months, to restore the DIF to at least 1.35 percent within eight years, absent extraordinary circumstances. See 12 U.S.C. 1817(b)(3)(B) and (E). The reserve ratio is calculated as the ratio of the net worth of the DIF to the value of the aggregate estimated insured deposits at the end of a given quarter. See 12 U.S.C. 1813(y)(3).

⁵³ See 12 CFR 327.10(b).

⁵⁴ See 12 CFR 327.10(c) and (d).

⁵⁵ The DRR is expressed as a percentage of estimated insured deposits. The FDI Act requires that the Board designate the DRR for the DIF and publish the DRR before the beginning of each calendar year. The Board must set the DRR in accordance with its analysis of certain statutory

factors: risk of losses to the DIF; economic conditions generally affecting IDIs; preventing sharp swings in assessment rates; and any other factors that the Board determines to be appropriate. In December 2010, the Board set the DRR at 2 percent based on a comprehensive, long-range management plan for the DIF and has voted annually since then to maintain the 2 percent DRR, most recently in November 2025. See 90 FR 54688 (Nov. 28, 2025).

⁵⁶ See *supra* fn 16.

⁵⁷ See 12 CFR 327.10(b)(2). An established insured depository institution is a bank or savings association that has been federally insured for at least five years as of the last day of any quarter for which it is being assessed. See 12 CFR 327.8(k).

⁴⁶ See *supra* fn 1.

⁴⁷ See *supra* fn 7.

⁴⁸ 12 U.S.C. 1817(b)(2)(A).

⁴⁹ The risk factors referred to in factor (iv) include the probability that the DIF will incur a loss with respect to the institution, the likely amount of any such loss, and the revenue needs of the DIF. See section 7(b)(1)(C) of the FDI Act, 12 U.S.C. 1817(b)(1)(C).

⁵⁰ See section 7(b)(2)(B) of the FDI Act, 12 U.S.C. 1817(b)(2)(B).

⁵¹ See 12 CFR 327.10(f)(3). In no case may any such rate adjustments result in total base assessment rates that are negative. See 12 CFR 327.10(f)(1).

⁵² See 87 FR 39388 (Jul. 1, 2022) and 87 FR 64314 (Oct. 24, 2022). The FDI Act requires the Board to

**Table 2—Current Total Base Assessment Rate Schedule (After Adjustments)
Applicable to Established Small Institutions and Large and Highly Complex
Institutions^{1, 2}**

	Established Small Institutions			Large & Highly Complex Institutions
	CAMELS Composite			
	1 or 2	3	4 or 5	
Initial Base Assessment Rate	5 to 18	8 to 32	18 to 32	5 to 32
Unsecured Debt Adjustment ³	-5 to 0	-5 to 0	-5 to 0	-5 to 0
Brokered Deposit Adjustment	N/A	N/A	N/A	0 to 10
Total Base Assessment Rate	2.5 to 18	4 to 32	13 to 32	2.5 to 42

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates.

³ The unsecured debt adjustment cannot exceed the lesser of 5 basis points or 50 percent of an insured depository institution’s initial base assessment rate; thus, for example, an insured depository institution with an initial base assessment rate of 5 basis points will have a maximum unsecured debt adjustment of 2.5 basis points and cannot have a total base assessment rate of lower than 2.5 basis points.

The assessment rates currently applicable to established small institutions and large and highly complex institutions in Table 2 above

remain in effect unless and until the reserve ratio meets or exceeds 2 percent.⁵⁸

Table 3 below applies if the reserve ratio of the DIF as of the end of the prior assessment period is equal to or greater than 2 percent and less than 2.5 percent.

⁵⁸In lieu of dividends, and pursuant to the FDIC’s authority to set assessments, the progressively lower initial base and total base assessment rates set

forth in 12 CFR 327.10(c) and (d) will come into effect without further action by the Board when the fund reserve ratio at the end of the prior assessment

period reaches 2 percent and 2.5 percent, respectively.

Table 3—Total Base Assessment Rate Schedule (After Adjustments)¹ Applicable to Established Small Institutions and Large and Highly Complex Institutions If the Reserve Ratio as of the End of the Prior Assessment Period Is Equal To or Greater Than 2 Percent but Less Than 2.5 Percent²

	Established Small Institutions			Large & Highly Complex Institutions
	CAMELS Composite			
	1 or 2	3	4 or 5	
Initial Base Assessment Rate	2 to 14	5 to 28	14 to 28	2 to 28
Unsecured Debt Adjustment ³	-5 to 0	-5 to 0	-5 to 0	-5 to 0
Brokered Deposit Adjustment	N/A	N/A	N/A	0 to 10
Total Base Assessment Rate	1 to 14	2.5 to 28	9 to 28	1 to 38

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates.

³ The unsecured debt adjustment cannot exceed the lesser of 5 basis points or 50 percent of an insured depository institution's initial base assessment rate; thus, for example, an insured depository institution with an initial base assessment rate of 2 basis points will have a maximum unsecured debt adjustment of 1 basis point and cannot have a total base assessment rate of lower than 1 basis point.

Under the current regulations, Table 4 below applies to established small institutions and large and highly complex institutions if the reserve ratio of the DIF as of the end of the prior assessment period is greater than 2.5 percent.

Table 4—Total Base Assessment Rate Schedule (After Adjustments)¹ Applicable to Established Small Institutions and Large and Highly Complex Institutions If the Reserve Ratio as of the End of the Prior Assessment Period is Equal to or Greater Than 2.5 Percent²

	Established Small Institutions			Large & Highly Complex Institutions
	CAMELS Composite			
	1 or 2	3	4 or 5	
Initial Base Assessment Rate	1 to 13	4 to 25	13 to 25	1 to 25
Unsecured Debt Adjustment ³	-5 to 0	-5 to 0	-5 to 0	-5 to 0
Brokered Deposit Adjustment	N/A	N/A	N/A	0 to 10
Total Base Assessment Rate	0.5 to 13	2 to 25	8 to 25	0.5 to 35

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates.

³ The unsecured debt adjustment cannot exceed the lesser of 5 basis points or 50 percent of an insured depository institution's initial base assessment rate; thus, for example, an insured depository institution with an initial base assessment rate of 1 basis point will have a maximum unsecured debt adjustment of 0.5 basis points and cannot have a total base assessment rate of lower than 0.5 basis points.

b. Current Assessment Rate Schedules for New Small Institutions

Current assessment rates applicable to new small institutions are set forth in Table 5 below.⁵⁹ New small institutions remain subject to the assessment schedules in Table 5 when the reserve

ratio reaches 2 percent or 2.5 percent.⁶⁰ As stated in the 2010 notice of proposed rulemaking describing the FDIC's comprehensive, long-term fund management plan, and adopted in a 2011 Final Rule, the lower assessment rate schedules applicable when the

reserve ratio reaches 2 percent and 2.5 percent do not apply to any new depository institutions; these institutions will remain subject to the assessment rates shown below, until they no longer are new depository institutions.⁶¹

⁵⁹ See 12 CFR 327.10(e)(1)(iv)(B). Subject to exceptions, a new depository institution is a bank or savings association that has been federally

insured for less than five years as of the last day of any quarter for which it is being assessed. See also 12 CFR 327.8(j).

⁶⁰ See 12 CFR 327.10(e)(1)(iv)(B).

⁶¹ See 75 FR 66272, 66283 (Oct. 27, 2010) and 76 FR 10672, 10686 (Feb. 25, 2011).

Table 5—Current Total Base Assessment Rate Schedule (After Adjustments)¹ Applicable to New Small Institutions for All Assessment Periods²

	Risk Category I	Risk Category II	Risk Category III	Risk Category IV
Initial Assessment Rate	9	14	21	32
Brokered Deposit Adjustment (added)	N/A	0 to 10	0 to 10	0 to 10
Total Base Assessment Rate	9	14 to 24	21 to 31	32 to 42

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates.

c. Current Assessment Rate Schedule for Insured Branches of Foreign Banks

Current assessment rates applicable to insured branches of foreign banks are

set forth in Table 6 below.⁶² The rates in Table 6 remain in effect unless and until the reserve ratio meets or exceeds 2 percent.⁶³ Progressively lower

assessment rate schedules for insured branches of foreign banks will become effective when the reserve ratio exceeds 2 percent and 2.5 percent.

Table 6—Current Initial and Total Base Assessment Rate Schedule¹ Applicable to Insured Branches of Foreign Banks²

	Risk Category I	Risk Category II	Risk Category III	Risk Category IV
Initial and Total Assessment Rate	5 to 9	14	21	32

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Initial and total base rates that are not the minimum or maximum rate will vary between these rates.

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B. Proposed Updates to Assessment Rate Schedules

The FDIC is proposing several updates to deposit insurance assessment rate schedules after considering the statutory factors and the current status of the DIF, as discussed below in section VII. of this Supplementary Information. As noted, the DIF is no longer operating under a Restoration Plan, and the reserve ratio is steadily progressing toward the 2 percent DRR.

1. Proposed 2 Basis Point Reduction in Initial Base Assessment Rate Schedules Applied to Small Institutions

The FDIC is proposing to decrease certain initial base deposit insurance assessment rate schedules by 2 basis points, beginning upon the effective date of any final rule. Specifically, the proposed 2 basis point decrease in initial base assessment rate schedules would apply to small institutions as defined under this proposal and would be applicable to established small institutions, new small institutions, and insured branches of foreign banks.

As earlier described, the FDIC is proposing to update the asset-based threshold in the assessment regulations used to define a small institution from \$10 billion in total assets to \$30 billion in total assets. Based on Call Report data as of December 31, 2025, raising the threshold from \$10 billion to \$30 billion would result in approximately 76 IDIs shifting from the large institution definition to the small institution definition for which the small institution pricing methodology and the proposed 2 basis point decrease in initial base assessment rate schedules would apply.

⁶² See 12 CFR 327.10(e)(2)(ii).

⁶³ In lieu of dividends, and pursuant to the FDIC's authority to set assessments, the progressively

lower initial base and total base assessment rates set forth in 12 CFR 327.10(e)(2)(iii) and (iv) will come into effect without further action by the FDIC Board

when the fund reserve ratio at the end of the prior assessment period reaches 2 percent and 2.5 percent, respectively.

The proposed initial base assessment rate schedules would remain in effect unless and until the reserve ratio meets or exceeds 2 percent. In lieu of dividends, the progressively lower initial base assessment rate schedules currently in the regulation would remain unchanged for small institutions and would come into effect without further action by the Board when the DIF reserve ratio at the end of the prior assessment period reaches 2 percent and 2.5 percent, respectively.⁶⁴

a. Analysis

Based on data as of December 31, 2025, a 2 basis point reduction in initial base assessment rate schedules applicable to banks that would meet the proposed definition of a small institution (generally, those under \$30 billion in total assets) is estimated to result in a decline in annual assessments of approximately \$917 million, or 7.5 percent of total annual assessments.

2. Proposed Updates to Assessment Rate Schedules Applied to Large and Highly Complex Institutions

a. Proposed Reduction in Initial Base Assessment Rates

The FDIC is also proposing to decrease initial base deposit insurance assessment rate schedules applicable to large and highly complex institutions by 1 basis point, beginning upon the effective date of any final rule.

b. Proposed Resolution Readiness Adjustment

The proposal would also establish a new downward assessment rate adjustment, the RRA, available to IDIs that meet the proposed definition of a large institution or that are highly complex institutions, and that elect to submit to testing of the institution's ability to populate a VDR with information that could be used to market a bank in the event of failure, and/or provide the FDIC prescribed data access, including access to an institution's service provider(s) and/or internal systems, to support readiness for the resolution of rapid failures.

In recognition of the expected reduction in losses to the DIF in the event of failure,⁶⁵ the FDIC is proposing to apply a downward adjustment of up to 1 basis point to assessment rates, available to large and highly complex

institutions that elect to participate, including 0.5 basis points for passing the VDR testing exercise and 0.5 basis points for providing prescribed data access, as described in section IV. of this Supplementary Information.⁶⁶

c. Proposed Revisions to Initial Base Assessment Rates When the Reserve Ratio Reaches 2 Percent and 2.5 Percent

Under the current regulation, progressively lower initial base assessment rate schedules applicable to large and highly complex institutions will come into effect when the reserve ratio reaches 2 percent and 2.5 percent, with minimum initial base assessment rates declining from 5 basis points to 2 basis points and 1 basis point, respectively.⁶⁷ Under the proposal, the minimum initial base assessment rates applied to large and highly complex institutions would still become progressively lower, declining from 4 basis points to 3 basis points and to 2 basis points when the reserve ratio reaches 2 percent and 2.5 percent, respectively, in order to incorporate the RRA into the assessment rate schedules.

This proposed revision to the initial base assessment rate schedules combined with the proposed allocation of adjustments described below have the result that a large or highly complex institution at the minimum initial base assessment rate could effectively achieve the maximum proposed RRA. This proposal would also maintain the same minimum total base assessment rates applicable to large and highly complex institutions as the rates in the current schedules that come into effect when the reserve ratio reaches 2 percent and 2.5 percent applicable to small banks.

d. Proposed Allocation of Assessment Rate Adjustments Applicable to Large and Highly Complex Institutions

Under the current assessment regulations, adjustments to the initial base assessment rates of institutions are made in the following order: (1) the unsecured debt adjustment can reduce an institution's assessment rate by the lesser of 5 basis points or 50 percent of the institution's initial base assessment rate; (2) the depository institution debt adjustment can increase an institution's assessment rate based on unsecured debt held by the institution that is issued by another depository institution;

and finally (3), the brokered deposit adjustment can increase an institution's assessment rate by up to 10 basis points.⁶⁸

The FDIC is proposing that the RRA would be applied to a large or highly complex institution's initial base assessment rate first, prior to the application of the other adjustments, and the unsecured debt adjustment would be limited to the lesser of 5 basis points or 50 percent of a large or highly complex institution's initial base assessment rate less any applicable RRA. Under the proposal, the allocation of, and limitations on, a small bank's rate adjustments would remain unchanged.

The proposed allocation of adjustments—specifically, allowing for an institution's initial base assessment rate to be reduced by up to the maximum RRA of 1 basis point before applying the unsecured debt adjustment—would have the result that a large or highly complex institution that is assigned an assessment rate that is the least risky, or the minimum initial base assessment rate, would be able to apply an unsecured debt adjustment of up to 1.5 basis points when the reserve ratio is less than 2 percent, as shown in Table 7. This maximum unsecured debt adjustment of 1.5 basis points would be equal to the maximum unsecured debt adjustment that could apply to a small institution assigned the minimum initial base assessment rate, and would also be equal to the maximum unsecured debt adjustment available prior to the 2023 increase in the rate schedules applied while the reserve ratio is less than 2 percent.

Similarly, when the reserve ratio exceeds 2 percent, allocating the RRA before the unsecured debt adjustment would result in a large or highly complex institution that is assigned the minimum initial base assessment rate being able to apply up to a 1 basis point unsecured debt adjustment, also shown in Table 7, and on par with a small institution assigned the minimum initial base assessment rate.

When the reserve ratio exceeds 2.5 percent, the proposed allocation would result in a large or highly complex institution that is assigned the minimum initial base assessment rate being able to apply up to a 0.5 basis point unsecured debt adjustment. As proposed, the 1 basis point RRA is equal to or exceeds the maximum unsecured debt adjustments of 1 basis point and 0.5 basis points available to large and highly complex institutions with the minimum initial base assessment rate in

⁶⁴ See 12 CFR 327.10(c) and (d).

⁶⁵ The FDI Act requires the FDIC to establish a risk-based assessment system for calculating an IDI's assessment based on the probability that the DIF will incur a loss with respect to that IDI and the likely amount of any such loss, among other factors. See 12 U.S.C. 1817(b)(1)(C).

⁶⁶ If a large or highly complex institution is affiliated with other IDIs, only an affiliate that is itself a large or highly complex institution would be eligible to seek a resolution readiness assessment adjustment.

⁶⁷ See 12 CFR 327.10(c) and (d).

⁶⁸ See *supra* fn 16.

the schedules applied when the reserve ratio is between 2 percent and 2.5 percent, and 2.5 percent or greater.

Table 7—Maximum Downward Adjustments for IDIs at the Minimum Initial Base Assessment Rate by Reserve Ratio

Reserve Ratio	RRA	Unsecured Debt Adjustment					
		Pre-2023	Current	Proposed	Pre-2023	Current	Proposed
	Large and Highly Complex Institutions			Small Institutions			
Less than 2%	-1.0 bps	-1.5 bps	-2.5 bps	-1.5 bps	-1.5 bps	-2.5 bps	-1.5 bps
2% to 2.5%	-1.0 bps	-1.0 bps	-1.0 bps	-1.0 bps	-1.0 bps	-1.0 bps	-1.0 bps
2.5% or Greater	-1.0 bps	-0.5 bps	-0.5 bps	-0.5 bps	-0.5 bps	-0.5 bps	-0.5 bps

In absence of these revisions, the maximum unsecured debt adjustment that a bank at the minimum initial base assessment rate could receive would decrease because the adjustment is limited to the lesser of 5 basis points or 50 percent of the bank's initial base assessment rate (or, in the case of the proposal, 50 percent of the bank's initial base assessment rate less any applicable RRA). For example, when the reserve ratio is equal to or greater than 2 percent but less than 2.5 percent, the minimum initial base assessment rate for large and highly complex institutions is 2 basis points. Under the current assessments regulations, a bank receiving the minimum initial base assessment rate of 2 basis points would have a maximum unsecured debt adjustment of 1 basis point. If the same bank under the proposal also received the full RRA of 1 basis point, its maximum unsecured debt adjustment would decline to 0.5 basis points.

Recognizing the significant benefit that the issuance of unsecured debt may have on potential losses to the DIF in the event of a bank failure, the proposed rate schedules would result in no change to the maximum unsecured debt adjustment for banks receiving the minimum initial base assessment rate in the rate schedules applied when the reserve ratio exceeds 2 percent. In the preceding example, the minimum initial base assessment rate for large and highly complex institutions would be 3 basis points and the maximum unsecured debt adjustment for a bank receiving the minimum would remain 1 basis point. In addition, under the proposed rate schedules, the minimum assessment

rate after all adjustments are applied would be the same for large and highly complex institutions and for small banks.

e. Timing of the Application of the Resolution Readiness Adjustment

As further described below in section IV. of this Supplementary Information, to be eligible for the RRA, a large or highly complex institution that wishes to opt into the RRA would submit a notice of election to the FDIC to participate in testing of the institution's ability to populate a VDR and/or to provide access to an institution's service provider(s) and/or internal systems to obtain detailed bank data needed to manage and market the bank in receivership.

f. Timing of the Component of the RRA for Data Access Engagement

The FDIC anticipates that the initial round of data access engagement would take approximately four years to complete for large or highly complex institutions that elect to participate. Under this proposal, the first 0.5 basis points of the RRA for providing the FDIC access to an institution's service provider(s) and/or internal systems to obtain detailed bank data needed to manage and market the bank in receivership would be applied at the beginning of the first full quarterly assessment period after the date on which the institution elects to participate. For instance, if an institution elected to participate on May 15, it would first be entitled to a 0.5 basis point adjustment for providing data access in the quarterly assessment

period beginning on July 1, for which payment would be invoiced and due in December.

If an institution fails to follow through on providing prescribed data access or does not provide information or access to personnel that the FDIC needs to assess the data, documents, and other materials that must be provided, the FDIC would cease application of the 0.5 basis point adjustment beginning the following quarterly assessment period. If this occurs in the initial data access engagement, the institution would be liable to reimburse the FDIC for an amount equal to the total amount of the 0.5 basis point component of the adjustment for data access the institution already received.

g. Timing of the Component of the RRA for VDR Testing

If the institution satisfies the requirements of the rule with respect to the VDR test, the FDIC would generally apply the 0.5 basis point component of the RRA beginning in the first quarterly assessment period after the institution passes the VDR test. However, as described further below, the FDIC will not initially apply the downward adjustment until all banks have completed the initial round of testing, to ensure that institutions who are tested sooner do not unfairly benefit from the timing of the tests.

h. Retesting and Follow-Up Data Access Engagements

Participating institutions would be subject to periodic retesting and follow-up data access engagements, as described in section IV. of this

Supplementary Information. If an institution receives an RRA, the institution would generally continue to receive the adjustment for each quarterly assessment period unless and until the institution does not successfully complete a future VDR test or declines to participate in subsequent data access engagement, at which point the institution's downward adjustment for the applicable component would cease to apply in the next quarterly assessment period.

i. Analysis

While the reserve ratio is less than 2 percent, the minimum total base assessment rate for large and highly complex institutions that receive the maximum proposed RRA would be 1.5 basis points, the same minimum that would apply to small institutions. The proposed minimum total base assessment rate of 1.5 basis points is 1 basis point lower than in the current schedule and is the same as the minimum total base assessment rate that was applicable prior to the 2023 increase in the assessment rate schedule in place while the reserve ratio is less than 2 percent.

The minimum total base assessment rates when the reserve ratio is equal to or greater than 2 percent are the same

for small, large, and highly complex institutions and are unchanged from the current schedules, which were not raised in 2023. The proposed revisions to the assessment rate schedules are illustrated in the tables below.

If all IDIs that meet the proposed definition of a large institution or that are highly complex institutions successfully participate in and pass the VDR exercise and provide the prescribed data access to achieve the maximum RRA of 1 basis point, the RRA combined with the proposed 1 basis point reduction in initial base assessment rates is generally estimated to result in a decline in annual assessments of approximately \$3.4 billion, or approximately 27.8 percent of total annual assessments, based on data as of December 31, 2025.

While the proposed reduction in the initial base assessment rates would be applied beginning with the effective date of any final rule, and the component of the RRA associated with data access engagement would be applied the quarterly assessment period following the institution's election, the effects of the component of the RRA associated with the initial VDR testing would not be applied until all institutions who initially elect to

participate have completed testing, which under the proposal the FDIC would complete within one year from the effective date of any final rule. In addition to the staggered timing for completion of the first cycle and application of the adjustment, the aggregate effect of the RRA is also contingent on the number of large and highly complex institutions that elect to participate in and successfully pass the VDR testing and provide the prescribed data access.

Expanded analysis of the aggregate expected effects of the proposal, evaluation of the costs and benefits, and consideration of the statutory factors are included below in sections VII. and VIII. of this **SUPPLEMENTARY INFORMATION**.

C. Proposed Assessment Rate Schedules

1. Proposed Assessment Rate Schedules for Established Small Institutions and Large and Highly Complex Institutions

Pursuant to the FDIC's authority to set assessments, the FDIC is proposing the following initial base assessment rates, adjustments, and total base assessment rates applicable to established small institutions and large and highly complex institutions set forth in Table 8 below.

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**Table 8—Proposed Total Base Assessment Rate Schedule (After Adjustments)
Applicable to Established Small Institutions and Large and Highly Complex
Institutions if the Reserve Ratio as of the End of the Prior Assessment Period is Less
Than 2 Percent^{1, 2}**

	Established Small Institutions			Large & Highly Complex Institutions
	CAMELS Composite			
	1 or 2	3	4 or 5	
Initial Base Assessment Rate	3 to 16	6 to 30	16 to 30	4 to 31
Resolution Readiness Adjustment	N/A	N/A	N/A	-1 to 0
Unsecured Debt Adjustment ³	-5 to 0	-5 to 0	-5 to 0	-5 to 0
Brokered Deposit Adjustment	N/A	N/A	N/A	0 to 10
Total Base Assessment Rate	1.5 to 16	3 to 30	11 to 30	1.5 to 41

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates.

³ The unsecured debt adjustment cannot exceed the lesser of 5 basis points or 50 percent of an insured depository institution's initial base assessment rate less any applicable resolution readiness adjustment; thus, for example, a large or highly complex institution with an initial base assessment rate of 4 basis points and a resolution readiness adjustment of 1 basis point will have a maximum unsecured debt adjustment of 1.5 basis points and cannot have a total base assessment rate of lower than 1.5 basis points.

The proposed assessment rate schedules applicable to established small institutions and large and highly complex institutions in Table 8 above would remain in effect unless and until

the reserve ratio meets or exceeds 2 percent.⁶⁹

The proposed initial base assessment rates, adjustments, and total base assessment rates in Table 9 below

would be in effect if the reserve ratio of the DIF as of the end of the prior assessment period is equal to or greater than 2 percent and less than 2.5 percent.

⁶⁹ In lieu of dividends, and pursuant to the FDIC's authority to set assessments, the progressively lower initial base and total base assessment rates set

forth in 12 CFR 327.10(c) and (d) will come into effect without further action by the Board when the fund reserve ratio at the end of the prior assessment

period reaches 2 percent and 2.5 percent, respectively.

**Table 9—Proposed Total Base Assessment Rate Schedule (After Adjustments)¹
Applicable to Established Small Institutions and Large and Highly Complex
Institutions if the Reserve Ratio as of the End of the Prior Assessment Period is
Equal To or Greater Than 2 Percent but Less Than 2.5 Percent²**

	Established Small Institutions			Large & Highly Complex Institutions
	CAMELS Composite			
	1 or 2	3	4 or 5	
Initial Base Assessment Rate	2 to 14	5 to 28	14 to 28	3 to 29
Resolution Readiness Adjustment	N/A	N/A	N/A	-1 to 0
Unsecured Debt Adjustment ³	-5 to 0	-5 to 0	-5 to 0	-5 to 0
Brokered Deposit Adjustment	N/A	N/A	N/A	0 to 10
Total Base Assessment Rate	1 to 14	2.5 to 28	9 to 28	1 to 39

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates.

³ The unsecured debt adjustment cannot exceed the lesser of 5 basis points or 50 percent of an insured depository institution's initial base assessment rate less any applicable resolution readiness adjustment; thus, for example, a large or highly complex institution with an initial base assessment rate of 3 basis points and a resolution readiness adjustment of 1 basis point will have a maximum unsecured debt adjustment of 1 basis point and cannot have a total base assessment rate of lower than 1 basis point.

The proposed initial base assessment rates, adjustments, and total base assessment rates in Table 10 below

would be in effect if the reserve ratio of the DIF as of the end of the prior

assessment period is equal to or greater than 2.5 percent.

**Table 10—Proposed Total Base Assessment Rate Schedule (After Adjustments)¹
Applicable to Established Small Institutions and Large and Highly Complex
Institutions if the Reserve Ratio as of the End of the Prior Assessment Period is
Equal to or Greater Than 2.5 Percent²**

	Established Small Institutions			Large & Highly Complex Institutions
	CAMELS Composite			
	1 or 2	3	4 or 5	
Initial Base Assessment Rate	1 to 13	4 to 25	13 to 25	2 to 26
Resolution Readiness Adjustment	N/A	N/A	N/A	-1 to 0
Unsecured Debt Adjustment ⁴	-5 to 0	-5 to 0	-5 to 0	-5 to 0
Brokered Deposit Adjustment	N/A	N/A	N/A	0 to 10
Total Base Assessment Rate	0.5 to 13	2 to 25	8 to 25	0.5 to 36

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates.

³ The unsecured debt adjustment cannot exceed the lesser of 5 basis points or 50 percent of an insured depository institution's initial base assessment rate less any applicable resolution readiness adjustment; thus, for example, a large or highly complex institution with an initial base assessment rate of 2 basis points and a resolution readiness adjustment of 1 basis point will have a maximum unsecured debt adjustment of 0.5 basis points and cannot have a total base assessment rate of lower than 0.5 basis points.

2. Proposed Assessment Rates for New Small Institutions

Pursuant to the FDIC's authority to set assessments, the proposed initial and total base assessment rates applicable to

new small institutions set forth in Table 11 below would take effect beginning upon the effective date of any final rule. New small institutions would remain subject to the assessment schedules in

Table 11, even when the reserve ratio reaches 2 percent or 2.5 percent, until they no longer were new depository institutions, consistent with current assessment regulations.

Table 11—Proposed Total Base Assessment Rate Schedule (After Adjustments)¹ Applicable to New Small Institutions for All Assessment Periods²

	Risk Category I	Risk Category II	Risk Category III	Risk Category IV
Initial Assessment Rate	7	12	19	30
Brokered Deposit Adjustment (added)	N/A	0 to 10	0 to 10	0 to 10
Total Base Assessment Rate	7	12 to 22	19 to 29	30 to 40

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates.

3. Insured Branches of Foreign Banks

Pursuant to the FDIC’s authority to set assessments, the proposed initial and

total base assessment rates applicable to insured branches of foreign banks set forth in Table 12 below would take

effect beginning upon the effective date of any final rule.

Table 12—Proposed Initial and Total Base Assessment Rate Schedule¹ Applicable to Insured Branches of Foreign Banks²

	Risk Category I	Risk Category II	Risk Category III	Risk Category IV
Initial and Total Assessment Rate	3 to 7	12	19	30

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Initial and total base rates that are not the minimum or maximum rate will vary between these rates.

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a. Alternatives Considered

In proposing the updates to assessment rate schedules, the FDIC considered a number of potential alternatives, including maintaining the current schedule of initial base assessment rates, applying higher or lower reductions to initial base assessment rates, applying higher or lower VDR and data access adjustments, and modifying the assessment rate schedules that apply when the reserve ratio exceeds 2 percent and 2.5 percent.

The FDIC also considered how the unsecured debt adjustment would interact with the RRA and the impact on the maximum unsecured debt adjustment applicable to large and highly complex institutions at the

minimum initial base assessment rates and at higher rates. The unsecured debt adjustment was adopted in recognition that, all else equal, greater amounts of long-term unsecured debt can reduce the potential loss to the DIF in the event of an IDI’s failure. The FDIC is proposing to adopt the RRA in recognition that a large or highly complex institution’s ability to both populate a VDR with information that could be used to market the bank in the event of its failure and provide the FDIC access to detailed bank data needed to manage and market the bank in receivership can improve resolution efficiencies and result in a reduction in losses to the DIF in the event of the institution’s failure. The FDIC recognizes that the proposed structure

creates a potential asymmetry in which the unsecured debt adjustment can be significantly greater than the RRA for institutions with higher initial base assessment rates, while the RRA would be equal to or greater than the unsecured debt adjustment for institutions with the minimum initial base assessment rate when the reserve ratio exceeds 2 percent, and seeks comment on this proposed structure.

Question 12: The FDIC invites comment on the proposal to revise deposit insurance assessment rates, beginning with the effective date of any final rule. How does the approach in the proposed rule support or not support the objectives of the FDIC’s comprehensive, long-range management plan for the DIF? What are the

advantages and disadvantages of the proposed reductions in assessment rates? Are there alternatives the FDIC should consider, and if so, why?

Question 13: The FDIC invites comment on the proposed RRA. What are the advantages and disadvantages of implementing such an adjustment? Is the calibration appropriate, and if not, why?

Question 14: The FDIC additionally invites comment on the proposed allocation of the RRA and incorporation into the assessment rate schedules. Are there alternative approaches for allocation or incorporation into the assessment rate schedules the FDIC should consider?

Question 15: Under the proposal, the unsecured debt adjustment would be limited to the lesser of 5 basis points or half of an institution's initial base assessment rate less any applicable RRA. As proposed, the 1 basis point RRA equals or exceeds the maximum unsecured debt adjustments of 1 basis point and 0.5 basis points available to large and highly complex institutions with the minimum initial base assessment rate in the schedules applied when the reserve ratio is between 2 percent and 2.5 percent, and 2.5 percent or greater. The FDIC invites comment on the relative allocation of these adjustments. Are there alternative allocations or limitations the FDIC should consider?

IV. Resolution Readiness Adjustment

Under the proposed rule, the FDIC would apply a downward resolution readiness adjustment to the assessment rate of a large or highly complex institution that elects to (1) submit to testing of the institution's ability to populate a VDR (VDR test) with information that could be used to market the bank in the event of its failure (VDR component) and/or (2) provide the FDIC access to an institution's service provider(s) and/or internal systems if the institution maintains its own proprietary data systems, to obtain detailed bank data needed to manage and market the bank in receivership (data access component).⁷⁰ The proposed RRA would be comprised of a 0.5 basis point adjustment for successfully passing a VDR test (VDR adjustment) and a 0.5 basis point adjustment for completing the data access component (data access adjustment) in recognition of the expected reduction in losses to the DIF

in the event of the failure of an institution that participates and completes both components.

A. Background

A large or highly complex institution's ability to quickly populate a VDR with complete, timely, and accurate information can be key to ensuring that the FDIC receives high quality bids in the event of the institution's failure, which would reduce the likely amount of loss to the DIF. From a marketing standpoint, an institution's ability to quickly populate a VDR is critical to ensuring necessary information on unique business lines can be supplied in a timely manner for bidders to evaluate the institution's franchise. Better information for bidders when marketing a franchise increases bid quality which, in turn, increases the likelihood that a failed bank will be acquired over the course of the weekend immediately following its entry into receivership. This also decreases the likelihood of needing to operate the bank as a bridge depository institution, which can further erode franchise value and increase costs to the DIF.

While having the ability to quickly populate a VDR is important for the rapid marketing and sale of a failed institution, directly accessing data from the institution's systems and/or its service provider(s), as applicable, would allow the FDIC to build out internal FDIC infrastructure to enable the FDIC to receive and process necessary data in the event of an institution's rapid failure. Additionally, the data would further enhance the quality and robustness of the information provided to potential bidders and enable the FDIC to more effectively operate an eventual receivership or, if needed, a bridge depository institution.

B. Election Process

Under the proposed rule, a large or highly complex institution that wishes to opt into the RRA would submit a notice of its election or elections to the FDIC. An institution's election would include certain information needed by the FDIC for the elected component or components. To support the VDR component, the institution's notice of election would provide the FDIC with the contact information of the institution's personnel with whom the FDIC should engage prior to the VDR test. To support the data access component, the institution's notice of election would provide the FDIC a complete list of all systems and applications maintained by itself and/or third-party vendor(s) that serve as core data processors for deposit and loan

data and the institution's general ledger, and a list of key personnel (including personnel of third-party vendors) needed to support and operate such systems and applications. The institution would also authorize the FDIC to communicate with, and request data from, its third-party vendors and acknowledge that any costs required to obtain any necessary data would be borne by the institution. The institution would be able to opt in to one of or both components of the RRA as part of its election, whether it be one election submission or two.

An institution that is a large or highly complex institution as of the effective date of any final rule would submit a notice of election to the FDIC within 30 days of the effective date of the rule. Such an institution would be eligible to receive a data access adjustment beginning in the assessment period following the institution's election, and would be eligible to receive a VDR adjustment beginning in the assessment period one year after the effective date of the final rule if the institution passes the VDR test.

Following the end of this 30-day period, institutions would still be able to make an election at any time. However, the FDIC would not conduct a VDR test of such an institution until after all institutions who initially opted in completed VDR tests, and the institution's VDR adjustment would not be available until after completing the VDR test. Additionally, an institution that is a large or highly complex institution on the effective date of the final rule that does not opt in to the data access component during the initial 30 days, but does opt in to the data access component within the initial four year period subsequent to the expiration of the initial 30 day period, will not receive the adjustment until two quarters after the end of the quarter in which the election is made, to discourage institutions from delaying making an election.

An institution that becomes a large or highly complex institution after the effective date of any final rule would be eligible to submit a resolution readiness adjustment election notice to the FDIC upon becoming a large or highly complex institution. Such an institution would be eligible to receive a data access adjustment beginning in the quarterly assessment period following the institution's election, and would be eligible to receive a VDR adjustment beginning in the quarterly assessment period after the institution passes the VDR test. Such an institution would not, however, receive the VDR adjustment

⁷⁰ If a large or highly complex institution is affiliated with other IDIs, only an affiliate that is itself a large or highly complex institution would be eligible to seek a resolution readiness assessment adjustment.

until the initial round of VDR testing is complete.

If an institution's notice of election for the data access component contains materially inaccurate information or the institution does not provide required information in its notice of election, the FDIC may notify the institution that it is no longer eligible for the data access adjustment. In that case, the data access adjustment would be removed beginning the next quarterly assessment period, and the institution would be liable to reimburse the FDIC for an amount equal to the amount of data access adjustment the institution received. The institution could seek to resume eligibility for the data access adjustment by submitting another notice of election.

C. VDR Test

In order to demonstrate its ability to adequately populate a VDR, a large or highly complex institution must be able to provide information under the below categories in a VDR set up by the FDIC within 48 hours of a request.⁷¹ These categories of information reflect the data and information that potential bidders have identified as most useful for conducting due diligence, especially when there is a short runway to an institution's failure:

1. Key financial information, including balance sheets, income statements, general ledgers (both consolidated and unconsolidated), and other relevant financial information;
2. Deposit data and information, including deposit tapes and data dictionary, and a report regarding key depositors (including key depositors by name and business segment, the amount of each key depositor's deposits, and a list of other services provided to such key depositors), though existing management reports are acceptable;
3. Loan and lending data and information, including loan tapes and data dictionary, and a report regarding key loan relationships (including key loan relationships by name and business segment, the amount of each outstanding loan of each key loan relationship, and a list of other services provided to such key loan relationships), though existing management reports are acceptable;
4. A sample of imaged loan files sufficient for a potential bidder to conduct due diligence to inform a potential bid;
5. Securities and investment portfolio information, including securities tapes and data dictionary;

6. A corporate organizational chart showing all financially or operationally significant entities, as well as a description of each of these entity's operations and role within the institution's operations, and licensing and regulatory information for each entity;

7. A list of key personnel identified by title, function, physical location, employing legal entity, and business line or business segment the individual supports, and if an individual is "dual hatted" at the institution and at one or more of its affiliates;

8. A list of material third-party contracts and a description of what services or business lines each contract supports;

9. Recent key internal risk management reports, such as assessments concerning credit, capital, liquidity, risk governance risks; and

10. Other information the institution believes is necessary to facilitate a rapid and effective due diligence process for the sale of the institution, as well as data or information requested by the FDIC in its notice concerning the timing of the institution's VDR test that is not covered by other items listed above.

FDIC resolution experience has shown that VDRs that can be quickly and accurately populated with key financial data and operational information are necessary for bidder due diligence and results in more and higher-quality bids.

1. Initial Timing of VDR Test

The FDIC anticipates that the initial round of VDR tests for institutions that are large or highly complex as of the effective date of the final rule would take up to one year from the effective date of the final rule. The FDIC would notify an institution not less than four weeks in advance of when it would conduct the VDR test, and on the date of the test, the institution would have 48 hours to populate the VDR.

2. Satisfaction of VDR Test

The institution would be considered to have satisfied the VDR test if (1) all of the required documents, data and information are uploaded to the virtual data room within 48 hours after the test begins, (2) the FDIC determines that the information and data uploaded is sufficient for a potential bidder to conduct adequate due diligence to inform a potential bid, including that the financial information provided is consistent with the general ledger, and (3) the institution provides the FDIC such information and access to such personnel of the institution as the FDIC in its discretion determines is relevant

to properly evaluate the documents and information uploaded to the VDR.

3. Results of VDR Test and Application of VDR Adjustment

The FDIC will notify the institution in writing concerning the results of its test. If the institution has satisfied the requirements of the rule with respect to the VDR test, it will be entitled to a VDR adjustment. The FDIC would retest an institution's capabilities with respect to the VDR test once every three years. In certain circumstances, such as when the FDIC determines that it can access certain important information in a timely manner in connection with data access engagement, the FDIC may waive aspects of future VDR tests. The FDIC would provide an institution with not less than four weeks' notice if it plans to retest an institution's VDR population capabilities. The FDIC may extend the timeline to more than three years at its discretion. The FDIC may do so if, for example, there is an increase in bank failures resulting in increased resources devoted to resolution activity. If an institution has experienced material changes with respect to its ability to populate a data room, such as undergoing a merger, the FDIC may conduct a retest in less than three years at its discretion. If the institution does not satisfy the requirements of the VDR test, the FDIC may offer the institution an opportunity to retake the test not less than one month after the initial test.

If the institution receives a 0.5 basis point adjustment for successfully completing the VDR test, the institution will continue to receive the adjustment for each quarterly assessment period unless and until the institution does not successfully complete a future VDR test, at which point the institution's downward adjustment would cease to apply in the next quarterly assessment period.

Under the proposal, because the VDR component is intended to incentivize banks to maintain the ability to produce robust information within a 48-hour timeframe, an institution would not be able to receive partial credit if it is able to produce the required data in a period longer than 48 hours, or if the institution is able to produce some but not all of the content required. The FDIC is seeking comment on whether partial credit should be offered.

D. Data Access

As discussed above, a large or highly complex institution will be entitled to the data access adjustment beginning in the first full assessment period after the date on which the institution submits its notice of election.

⁷¹ The FDIC would generally delete data shortly after concluding the test.

1. Initial Timing of Data Access Engagement

The FDIC anticipates that the initial round of engagement with respect to the data access component for electing institutions that are large or highly complex as of the effective date of the final rule would take four years from this date and therefore believes it appropriate to grant the data access adjustment upon submission of a notice of election rather than require institutions to wait until every institution has completed the process before applying adjustments. Furthermore, the FDIC believes it is generally unlikely an institution that elects to participate in the data access component will fail to ultimately qualify for the data access adjustment.

An institution that elects to participate in the data access component would be required to facilitate the FDIC's access to its data service provider(s) and/or any internal data systems. As noted above, the purpose of data access engagement by the FDIC would be to allow the FDIC to engage with service provider(s) and/or institution personnel to build out internal FDIC infrastructure to enable the FDIC to receive and process necessary data in the event of an institution's rapid failure. Specifically, the FDIC would seek access to such data service provider(s) and/or internal data systems in order to access and process the following data:⁷²

1. The institution's consolidated and unconsolidated ledger;
2. Core data regarding the institution's deposit portfolio, including:
 - a. Depositor and beneficiary information;
 - b. Deposit account title;
 - c. Deposit account type;
 - d. Deposit account balances, including principal and accrued interest;
 - e. Deposit account status;
 - f. Deposit account rate terms; and
 - g. Any other information about material characteristics of deposits;
3. Core data concerning the institution's loan portfolio, including:
 - a. Borrower, co-borrower, and guarantor information;
 - b. Loan balances, including charge offs;
 - c. Participation information;
 - d. Loan status;
 - e. Loan terms;
 - f. Loan type;
 - g. Collateral associated with each loan; and
 - h. Any other information about material characteristics of loans;

4. A list of key personnel (including those employed by third-party vendors) needed to support and operate each system and application used to produce data, information, and other materials listed above identified by name, title, employer, telephone number, and email address.

If an institution fails to follow through on providing prescribed data access or does not provide information or access to personnel that the FDIC needs to assess the data, documents, and other materials that must be provided, the FDIC would cease application of the adjustment beginning the following quarterly assessment period. If this occurs during the initial data access engagement, the institution would be liable to reimburse the FDIC for an amount equal to the amount of data access adjustment the institution received.

After the initial engagement, the institution must notify the FDIC within 30 days of any material changes to its internal data systems or data service providers that made the FDIC's prior engagement with respect to data access no longer relevant, such as when an institution engages a new data service provider with respect to the data that the FDIC would seek to collect in the event of the institution's failure. The FDIC anticipates that such notices would be rare. Failure to provide notice of material change may result in the data access adjustment being removed in the following assessment period and, potentially, liability for repayment if discovered after multiple assessment periods.

The FDIC will conduct follow-up engagements every seven years, except that the FDIC may (1) extend the timeline at its discretion or (2) conduct a follow-up engagement sooner than seven years in the event of a material change to an internal data system or data service provider. The FDIC would provide an institution with not less than four weeks' notice if it chooses to conduct a new engagement concerning an institution's data access capabilities.

If the institution qualifies for the data access adjustment after the first engagement, and then declines to participate in subsequent engagement, the data access adjustment will be removed in the assessment period following receipt of notice that it declines to participate, and the institution would not be liable to reimburse the FDIC.

Question 16: Please describe and quantify the costs that large and highly complex institutions would expect to incur in seeking the RRA? If possible,

please delineate costs by VDR test and data access engagement.

Question 17: Do commenters believe that the amount of the RRA is appropriately calibrated to recognize the potential reduction in losses to the DIF in the event of a large or highly complex institution's failure? If not, what would be a more appropriate calibration and why?

Question 18: Do commenters believe that the proposed rule asks for large and highly complex institutions to provide the correct set of data for a VDR test? What, if any, alternative data and information would potential bidders want access to in connection with the marketing of a failed bank and why? What other information in the possession of a large or highly complex institution would help facilitate competitive, high-quality bids? Should any of the data or information items requested under the proposal for purposes of the VDR test be removed under any final rule and, if so, why? Would this set of data benefit from more or less prescription in the rule and why?

Question 19: What, if any, other data would be useful to potential bidders, help improve the marketing process for a failed institution, or be useful to operate the institution if the FDIC is unable to solicit adequate bids over resolution weekend? Would this set of data benefit from more or less prescription in the rule and why?

Question 20: Does the information that must be populated in a VDR and to which access would be provided under the proposed rule overlap with information that is otherwise provided by large and highly complex institutions to the FDIC or information that is otherwise publicly available?

Question 21: Is the information that would be required to be submitted with respect to the election notice appropriate and sufficient to provide the FDIC an understanding of the institution's information technology systems in order to aid the FDIC in conducting testing under the proposed rule? What, if any, other information should a large or highly complex institution provide when seeking an adjustment?

Question 22: Are the timelines for the initial VDR test and data access engagement appropriate and, if not, why? What alternative timeframe, if any, would be more appropriate to ensure sufficient time for the FDIC to conduct testing under the proposed rule?

Question 23: To what extent would an appeals process be beneficial for situations in which the FDIC denies all or part of the resolution readiness adjustment?

⁷² The FDIC would generally delete data shortly after concluding the engagement.

Question 24: Should an institution be liable to reimburse the FDIC for an amount equal to the amount of the data access component of the RRA in the event that the institution elects to opt in but is subsequently notified that it failed to provide the prescribed data access? Should the application of the 0.5 basis point component of the RRA for satisfying the requirements of the data access engagement be applied after the engagement is completed and the institution is notified of their eligibility? If so, how would that be implemented?

Question 25: Should the proposal provide a partial adjustment for institutions that satisfy some, but not all, of the requirements of the VDR test? If so, how should the FDIC calibrate any partial adjustment? Should the FDIC consider partial credit of the VDR adjustment to be divided between a timeliness and information subcomponent? If so, what is an appropriate scoring for partial credit in each category?

Question 26: Do commenters believe that the categories of information requested with respect to the VDR test are sufficiently clear? Do institutions have existing internal management reports that could be used to populate a VDR, even on a partial basis, without having to generate additional reports and, if so, which types of existing internal management reports could be leveraged by institutions?

V. Other Proposed Amendments to Part 327

A. Conforming Amendments to the Assessment Regulations

The FDIC also is proposing conforming amendments to sections 327.8, 327.10, and 327.16 of the assessment regulations to effectuate the modifications described above. These conforming amendments would ensure that the proposed updates to the definitions, thresholds, and assessment rate schedules are properly incorporated into the assessments regulation provisions governing the calculations of an IDI's quarterly deposit insurance assessment. The FDIC is proposing revisions to section 327.10 to reflect the assessment rate schedules that would be applicable before and after the effective date of any final rule.

The FDIC is also proposing to revise the uniform amounts for small banks and insured branches of foreign banks in sections 327.16(a) and (d), respectively, to reflect the proposed 2 basis point decrease in initial base assessment rate schedules applicable to these institutions.

B. Technical Amendments to the Assessment Regulations To Remove Obsolete Provisions

The FDIC is proposing other technical amendments to its regulations governing deposit insurance assessments to remove obsolete provisions. Removal of these provisions, described below, will neither affect deposit insurance assessments nor result in new requirements for IDIs.

1. Surcharges and Assessments Required To Raise the Reserve Ratio of the DIF to 1.35 Percent in Section 327.11

As a technical change, the FDIC is proposing to rescind in its entirety 12 CFR 327.11 which includes provisions relating to surcharges and assessments required to raise the reserve ratio of the DIF to 1.35 percent that are no longer applicable.

2. Prepayment of Quarterly Risk-Based Assessments in 12 CFR 327.12

As a technical change, the FDIC is rescinding in its entirety 12 CFR 327.12, which includes provisions relating to the prepayment of quarterly risk-based assessments that are no longer applicable.

3. Implementation of One-Time Assessment Credit in 12 CFR part 327 Subpart B

As a technical change, the FDIC is proposing to rescind in its entirety 12 CFR 327 Subpart B which implemented a one-time assessment credit required by section 7(e)(3) of the FDI Act.⁷³

VI. Reporting

In December 2025, the FDIC, the Office of the Comptroller of the Currency, and the Board of Governors of the Federal Reserve System (the agencies), issued a Request for Information on Streamlining the Call Report.⁷⁴ The request offered the opportunity for interested stakeholders to identify ways that the agencies could streamline the Call Report forms and instructions while still meeting the purposes of the collection.

The agencies received several comments in response to the request addressing the collection of data on Schedule RC—O—Other Data for Deposit Insurance Assessments. Many of the comments on Schedule RC—O addressed line items that are used in the calculation of deposit insurance assessments for small, large, and highly complex institutions. Revisions to such

line items would generally require changes to the risk-based pricing methodologies in the assessment regulations. The FDIC continues to consider the comments received addressing line items on Schedule RC—O and is considering addressing those comments through a potential future proposal to amend risk-based deposit insurance pricing methodologies in the assessment regulations.

VII. Statutory Considerations and Expected Effects

A. Background

In setting assessment rates, the FDIC is required by statute to consider the following factors:

(i) The estimated operating expenses of the DIF.

(ii) The estimated case resolution expenses and income of the DIF.

(iii) The projected effects of the payment of assessments on the capital and earnings of IDIs.

(iv) The risk factors and other factors taken into account pursuant to section 7(b)(1) of the FDI Act (12 U.S.C. 1817(b)(1)) under the risk-based assessment system, including the requirement under such section to maintain a risk-based system.⁷⁵

(v) Other factors the FDIC has determined to be appropriate.⁷⁶

For purposes of statutory considerations and expected effects, the FDIC based its analysis on data as of December 31, 2025, including data from the Call Report and FFIEC 002 for the reporting period that ended December 31, 2025, reported as of February 16, 2026.

B. Deposit Insurance Fund Expenses and Income

As of December 31, 2025, the DIF balance totaled \$153.9 billion, an increase of \$16.8 billion from the previous year. Since second quarter 2023, the DIF balance has steadily increased, primarily from assessments earned. Assessments earned totaled \$13 billion for 2025. The weighted average assessment rate was approximately 5.6 basis points as of December 31, 2025, up 1.8 basis points from the weighted average assessment rate of 3.8 basis points for the assessment period ending June 30, 2022, just prior to the adoption of the 2022 final rule implementing a uniform increase in initial base deposit insurance assessment rate schedules of 2 basis points.⁷⁷ Net investment income

⁷³ See 12 U.S.C. 1817(e)(3). See also 71 FR 61374 (Oct. 18, 2006).

⁷⁴ 90 FR 55240 (Dec. 1, 2025).

⁷⁵ See *supra* fn 45.

⁷⁶ See *supra* fn 50.

⁷⁷ See *supra* fn 23.

further added to the DIF balance, totaling \$4.8 billion for 2025.

Operating expenses partially offset increases in the DIF balance, ranging between \$497 million and \$666 million on a quarterly basis for the past three years. Full-year operating expenses were \$2.4 billion for 2025, unchanged from 2024.

Losses from bank failures, or case resolution expenses, represent the largest potential expenses of the DIF. Except for 2023, the DIF has experienced low losses since 2016. Between 2016 and 2022, three banks per year failed, at an average annual cost to the DIF of about \$177 million. In 2023, five banks failed with estimated losses to the DIF of \$18.0 billion, excluding losses that are being recovered through the special assessment.⁷⁸ Since 2023, six institutions have failed as of May 2026,

with an estimated cost to the DIF of \$928 million.⁷⁹

The total number of institutions on the FDIC's Problem Bank List was 60 at the end of the fourth quarter of 2025, up by a net of three institutions from the previous quarter.⁸⁰ The number of problem banks represented 1.4 percent of total banks in the fourth quarter of 2025, which is in the normal range of 1 to 2 percent for non-crisis periods.

While future losses to the DIF are highly uncertain, FDIC-insured institutions reported strong earnings in 2025. Loan growth accelerated in 2025, as did domestic deposit growth. Asset quality metrics remained favorable overall despite continued weakness in certain portfolios. Unrealized losses reported by banks continued to decline from the second quarter 2022 peak but remained elevated relative to historical

conditions. The banking industry continued to have strong capital and liquidity levels, which support lending and protect against potential losses.

As shown in Table 13 below, the DIF balance has risen steadily since fourth quarter 2022, just prior to the 2 basis point increase in assessment rate schedules. Over the period from the fourth quarter 2022 to fourth quarter 2025, growth in the DIF balance outpaced growth in estimated insured deposits, resulting in continued growth in the reserve ratio—DIF balance as a percentage of estimated insured deposits. As previously noted, the reserve ratio further increased to 1.43 percent on March 31, 2026, up 15 basis points from the year-end 2024 and 28 basis points from year-end 2023.

Table 13—Fund Balance, Estimated Insured Deposits, and Reserve Ratio¹
[Dollar amounts in billions]

	4Q 2022	4Q 2023	4Q 2024	4Q 2025
Beginning Fund Balance	\$125.5	\$119.3	\$133.1	\$150.1
Plus: Assessments Earned ²	\$2.1	\$3.1	\$3.2	\$3.0
Plus: Net Investment Contributions and Other Income ³	\$1.1	\$0.8	\$1.1	\$1.3
Less: Loss Provisions ²	*	\$0.9	(\$0.4)	(\$0.1)
Less: Operating Expenses	\$0.5	\$0.6	\$0.7	\$0.6
Ending Fund Balance ⁴	\$128.2	\$121.8	\$137.1	\$153.9
Estimated Insured Deposits	\$10,273.6	\$10,626.1	\$10,683.0	\$10,821.8
Y-O-Y Growth in Est. Insured Deposits	3.8%	3.4%	0.5%	1.3%
Ending Reserve Ratio	1.25%	1.15%	1.28%	1.42%

*Absolute value less than \$50 million

¹ Source: FDIC Quarterly Banking Profile for Fourth Quarter 2025, Table 1-C. Insurance Fund Balances and Selected Indicators.

² Assessments earned and loss provisions do not include amounts collected toward or the receivable associated with the special assessment to recover estimated losses attributable to protecting uninsured depositors pursuant to the March 2023 systemic risk determination.

³ Net investment contributions include interest earned on investments and unrealized gains/losses on available-for-sale securities, while other income includes realized net gains on sale of investments, and all other income, net of expenses.

⁷⁸ Estimated losses do not include amounts associated with the special assessment to recover estimated losses attributable to protecting uninsured depositors pursuant to the systemic risk determination announced following the failures of Silicon Valley Bank and Signature Bank in March 2023. The FDIC is required by statute to recover such losses through a special assessment. See 12

U.S.C. 1823(c)(4)(G)(ii). See also 88 FR 83329 (Nov. 29, 2023) and 90 FR 59369 (Dec. 19, 2025).

⁷⁹ Loss estimates for failures that occurred between 2023 through 2026 as of March 31, 2026. FDIC BankFind Suite: Bank Failures & Assistance Data, available at: <https://banks.data.fdic.gov/bankfind-suite/failures>. See also "Anchor Bank Assumes Insured Deposits of Community Bank and

Trust—West Georgia, LeGrange, Georgia," May 1, 2026, available at: <https://www.fdic.gov/news/press-releases/2026/anchor-bank-assumes-insured-deposits-community-bank-and-trust-west-georgia>.

⁸⁰ "Problem" institutions are institutions with a CAMELS composite rating of "4" or "5" due to financial, operational, or managerial weaknesses that threaten their continued financial viability.

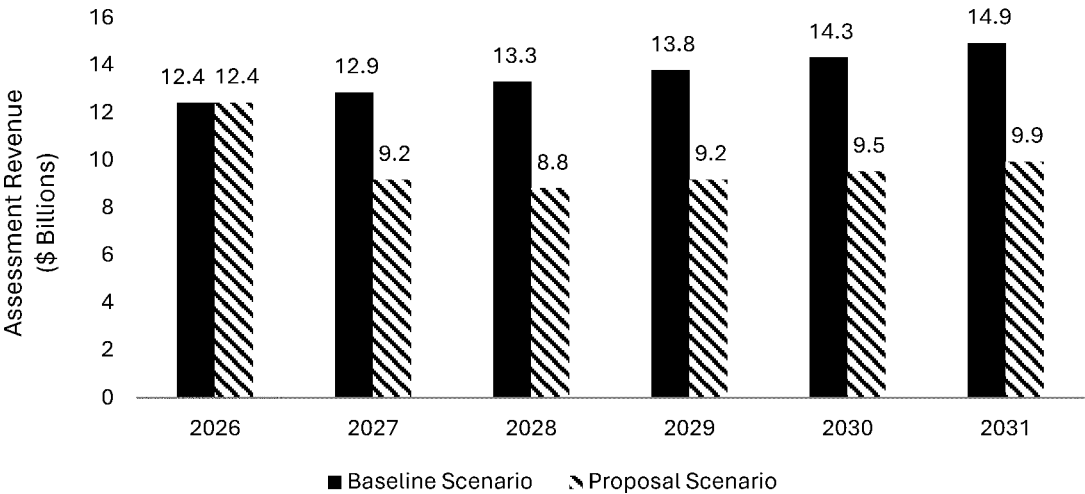
C. Projections for DIF Balance, Insured Deposits, and Reserve Ratio

In developing the proposal, the FDIC projected how changes to the threshold used to define small and large institutions and to rate schedules would affect assessment revenue and therefore growth in the DIF balance and reserve ratio, including when the reserve ratio would reach 2 percent. These projections assume the continuation of current trends, including low to moderate losses from bank failures, and do not contemplate a significant downturn in banking or economic conditions. Projections also assume no change in bank behavior. For example,

changes to assessment rates and pricing methodologies because of the proposal may motivate banks to adjust their risk profiles or practices, including changes to borrowing rates, deposits rates, or service fees. Any potential adjustments to bank behavior are unknown and therefore not incorporated into projections. The projections generally assume that changes to the definitions of small and large institutions and decreases to assessment rate schedules take effect at the beginning of 2027. Projections further assume that 75 percent of large and highly complex institutions elect to participate and receive assessment rate adjustments of 0.5 basis points for the

data access component of the RRA and 0.5 basis points for the VDR testing component of the RRA beginning in 2027 and 2028, respectively. The FDIC believes these are reasonable assumptions given the expected cost of initial and continued participation in the proposed engagement relative to the proposed assessment benefit. In total, the FDIC projects a decline in assessment revenue of \$3.7 billion in 2027 and \$22.6 billion, cumulatively, through 2031, as shown in Chart 1. By 2031, the DIF balance would be reduced by about \$24.6 billion under the proposal, which includes reduced investment income resulting from the decrease in assessment revenue.

Chart 1—Comparison of Projected Assessment Revenue Under Current Assessments Regulations (Baseline) and the Proposal

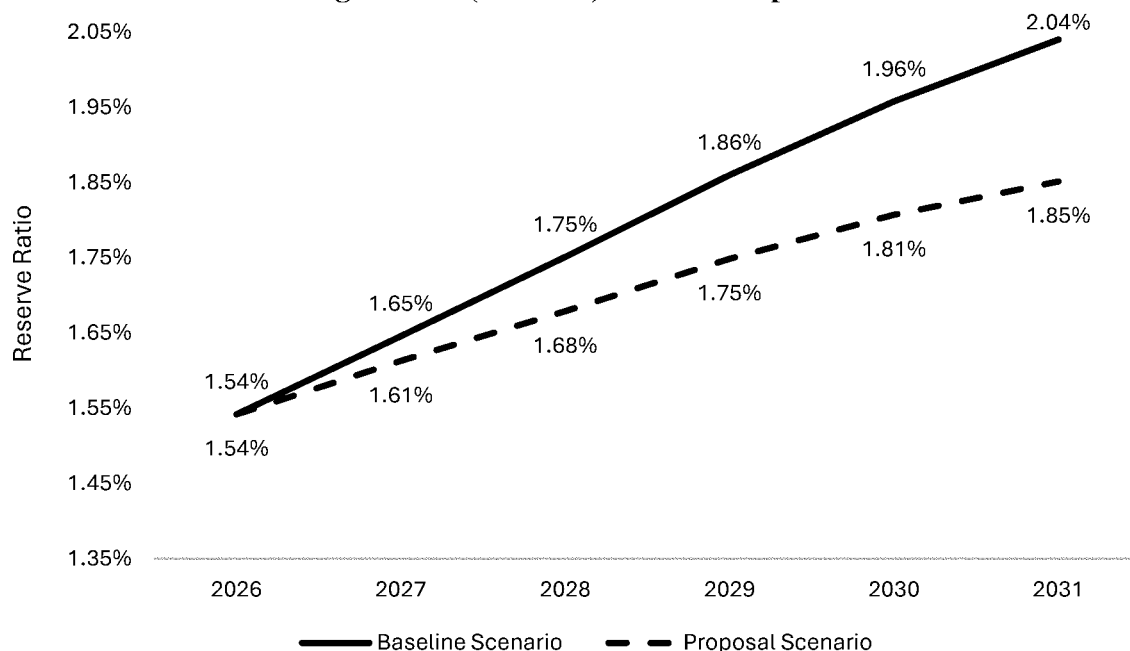


As a result of the reduced DIF balance relative to the baseline, the reserve ratio would rise under the proposal but at a slower pace than the baseline. Under

the baseline, the reserve ratio is projected to reach the current DRR by the end of 2031, as shown in Chart 2. Under the proposal, the reserve ratio is

projected to be 1.85 percent at the end of 2031 and would reach the 2 percent DRR in 2035.

Chart 2—Comparison of Projected Reserve Ratio Under Current Assessment Regulations (Baseline) and the Proposal



D. Projected Effects on Capital and Earnings

Consistent with section 7(b)(2)(B) of the FDI Act, the analysis that follows estimates the annual effect on equity capital and earnings of IDIs from the proposal. Specifically, the analysis considers the effects from raising the threshold defining a small institution and a large institution from \$10 billion to \$30 billion, decreasing initial base assessment rate schedules by 2 basis points for small institutions and by 1 basis point for large and highly complex institutions, and implementing the proposed RRA applicable to large and highly complex institutions.⁸¹

Data as of December 31, 2025, are used to calculate each bank's assessment base and risk-based assessment rate, absent the proposed changes. In 2025, the industry reported full-year net income of \$295.6 billion, up \$27.5 billion from full-year 2024. The industry's ROA increased to 1.20 percent from 1.12 percent the year prior. The increase was driven by higher net interest and noninterest income, which offset higher noninterest expense.

For institutions that would experience a change in assessment rates under the proposal, the immediate financial impact would be either (1) a decrease in assessment expense and a corresponding increase in pre-tax income; or (2) an increase in assessment

expense and a corresponding decrease in pre-tax income. To avoid the possibility of underestimating effects on bank earnings or capital, the analysis also assumes that the effects of the proposal are not transferred to customers in the form of changes in borrowing rates, deposit rates, or service fees.

A banking organization's earnings retention and dividend policies influence the extent to which changes in assessments affect equity levels. If an IDI maintains the same dollar amount of dividends when it recognizes the assessment expense, equity (retained earnings) will be increased by the full amount of the change in pre-tax assessments. This analysis instead assumes that an IDI would maintain a dividend rate (that is, dividends as a percentage of net income) equal to the weighted average rate reported over the four quarters ending December 31, 2025.

The analysis first reclassifies institutions using the proposed revised definitions of small and large institutions. As of December 31, 2025, there were approximately 76 IDIs that were priced as large institutions that would shift to the small bank pricing framework under the proposed definitions. For purposes of this analysis, none of these 76 IDIs are assumed to elect the one-time option to temporarily continue to be priced as a large institution and therefore are subject to the small bank pricing framework for the scenarios below.

The analysis next applies the proposed decrease in initial base assessment rate schedules of 2 basis points for small institutions and 1 basis point for large and highly complex institutions. The proposed changes to the definitions of small and large institutions combined with the proposed decreases in assessment rate schedules are estimated to result in an annual decrease in assessments of approximately \$2.7 billion.

The effect of these components of the proposal on bank earnings is measured by calculating the amount of (1) savings to institutions that would pay lower future assessments; or (2) losses to institutions that would pay higher assessments; as a percentage pre-tax income (hereafter referred to as "income").⁸² This income measure is used in order to eliminate the potentially transitory effects of taxes on profitability. The FDIC analyzed the impact of the proposal on the 4,103 institutions that were profitable based on their annual income from January 1, 2025, to December 31, 2025.⁸³

⁸² Annual income is assumed to equal income from January 1, 2025, through December 31, 2025, adjusted for mergers.

⁸³ Profitable institutions are defined as those having positive merger-adjusted income before taxes for the 12 months ending December 31, 2025. Analysis excludes nine insured branches of foreign banks and three institutions that reported an assessment base of zero as of December 31, 2025, as their estimated annual change in assessments as a percentage of income would be zero. Of the remaining 4,333 IDIs, 230 were unprofitable based

Continued

⁸¹ Equity capital is defined as capital (stock and/or surplus earnings) that is free of debt, calculated as assets less liabilities.

Table 14 shows the effects of the proposed definitions of small and large institutions, combined with the proposed decreases in assessment rate schedules, on profitable IDIs. Approximately 74.3 percent of profitable institutions are projected to experience a reduction in assessments of one percent or more of income from these components of the proposal. An additional 25.6 percent of profitable IDIs would experience an estimated decrease in assessments totaling less than one percent of income. Four institutions (0.1 percent) would experience an increase in assessments, with additional amounts totaling one percent or more of income for three institutions, and less than one percent of income for one institution.⁸⁴

Table 14—Estimated Annual Effect of Proposed Definitions of Small and Large Institution and Decreases to Assessment Rate Schedules¹

Estimated annual change in assessments as percent of income		Number of IDIs	Percent of IDIs	Assets of IDIs (\$ billions)	Percent of assets
Increase in Assessments	Over 10%	0	0	0	0
	5% to 10%	0	0	0	0
	1% to 5%	3	<1	40	<1
	Less than 1%	1	<1	30	<1
Decrease in Assessments	Less than 1%	1,050	26	20,086	80
	1% to 5%	2,842	69	4,585	18
	5% to 10%	131	3	227	<1
	Over 10%	76	2	27	<1
Total		4,103	100	24,995	100

¹ Income is defined as annual income before taxes from January 1, 2025 through December 31, 2025, adjusted for mergers. Profitable institutions are defined as those having positive income for the 12 months ending December 31, 2025. The table excludes nine insured branches of foreign banks and institutions that reported an assessment base of zero for December 31, 2025. Column totals may not add to total due to rounding.

Finally, the analysis includes the proposed RRA of 1 basis point, applicable to large and highly complex institutions that elect to participate. If 75 percent of large and highly complex institutions receive the maximum adjustment, the expected effect of all components of the proposal is an annual decrease in assessments of approximately \$4.0 billion. Table 15 shows the effects of the full proposal on profitable IDIs as of December 31, 2025. Approximately 75.2 percent of profitable institutions are projected to experience a reduction in assessments of one percent or more of income from the proposal, while 0.1 percent are projected to experience an increase in assessments totaling one percent or more of income because of the proposal. Approximately 24.2 percent of profitable IDIs would experience an estimated decrease in assessments totaling less than one percent of income and one institution would experience an estimated increase in assessments totaling less than one percent of income.

on average quarterly income from January 1, 2025, to December 31, 2025.

⁸⁴ Analysis of projected effects on capital and earnings excludes nine insured branches of foreign banks, given differences in reporting requirements between the Call Report and FFIEC 002, and three institutions that reported an assessment base of zero as of December 31, 2025. Four institutions are expected to pay higher assessments due to the proposed change in definition for small and large institutions. If those four institutions elect the one-time option to temporarily continue to be priced as large, they may pay lower assessments during the election period.

Table 15—Estimated Annual Effect of All Components of the Proposal¹

Estimated annual change in assessments as percent of income		Number of IDIs	Percent of IDIs	Assets of IDIs (\$ billions)	Percent of assets
Increase in Assessments	Over 10%	0	0	0	0
	5% to 10%	0	0	0	0
	1% to 5%	3	<1	40	<1
	Less than 1%	1	<1	30	<1
Decrease in Assessments	Less than 1%	1,012	25	11,198	45
	1% to 5%	2,880	70	13,474	54
	5% to 10%	131	3	227	<1
	Over 10%	76	2	27	<1
Total		4,103	100	24,995	100

¹ Income is defined as annual income before taxes from January 1, 2025 through December 31, 2025, adjusted for mergers. Profitable institutions are defined as those having positive income for the 12 months ending December 31, 2025. The table excludes nine insured branches of foreign banks and institutions that reported an assessment base of zero for December 31, 2025. Column totals may not add to total due to rounding.

The FDIC also considered the effects of the proposal on equity capital. The proposed changes to the assessment regulations are expected to increase tier 1 capital of IDIs by an estimated 16.3 basis points, on average, resulting from the estimated net decrease in annual assessments of \$4.0 billion.⁸⁵ No institutions are expected to fall below the minimum Tier 1 capital requirement as a result of the proposal.

VIII. Impact and Economic Analysis

This section evaluates the projected economic effect of the proposal relative to a baseline in which the proposal is not adopted. Specifically, the section discusses the expected material costs and benefits of the proposal to small

institutions and large and highly complex institutions.⁸⁶ Relevant regulations and financial data as of December 31, 2025, are generally used to estimate outcomes under the proposal and the baseline.

The proposal would update and provide for future indexing of the asset-based threshold used in the definitions of small and large institutions, decrease initial base assessment rate schedules by 2 basis points for small institutions and by 1 basis point for large and highly complex institutions, and provide a downward adjustment to assessment rates, including 0.5 basis points for passing virtual data room testing and 0.5 basis points for providing prescribed

data access to large and highly complex institutions electing to participate.⁸⁷

As of December 31, 2025, the FDIC insured 4,345 IDIs, including nine insured branches of foreign institutions. Table 16 breaks out these institutions by assessments pricing methodology as of December 31, 2025, under current regulations (baseline) and under the proposed changes to the definitions of small and large institutions. Excluding banks that may utilize the proposed one-time election for reclassified institutions to be temporarily priced using the large bank scorecard pricing methodology, 76 institutions would shift from the large bank pricing methodology to the small bank pricing methodology.

⁸⁵ Estimated effects on capital are calculated based on data reported as of December 31, 2025, on the Call Report.

⁸⁶ For purposes of the economic analysis, unless specified otherwise, small institutions include newly insured small institutions and insured

branches of foreign institutions. See sections III.C.2. and III.C.3. of this Supplementary Information for a discussion of assessment rates and schedules for these institutions.

⁸⁷ The proposal contains certain other technical amendments to the assessments regulations to

remove obsolete provisions. The FDIC anticipates these amendments will have little to no effect on deposit insurance assessments for IDIs. As such, the effects on IDIs due to these amendments under the proposal are likely to be *de minimis*.

Table 16. Institutions by Pricing Methodology as of December 31, 2025

Pricing Methodology	Baseline	Proposal
Established Small Institution	4,145	4,221
Large or Highly Complex Institution	150	74
Newly Insured Institution or Insured Branch of Foreign Institution ^a	50	50
Total	4,345	4,345

Source: FDIC Call Reports December 2025.

^a. Includes 41 newly insured small institutions (those insured less than five years) and nine insured branches of foreign institutions which are priced using a separate methodology and rate schedule.

A. Effects on all IDIs

Using data as of December 31, 2025, the FDIC estimates the proposal would result in an overall decrease in annual assessments of approximately \$4.0 billion (1.1 percent of 2025 pre-tax income) when aggregated across the 4,345 IDIs.⁸⁸

1. Distributional Effects on IDIs

Annualized assessments earned for all 4,345 IDIs based on data as of December 31, 2025, were \$12.3 billion in aggregate. Large banks, including highly complex institutions, would pay approximately 33 percent less in assessments under the proposal once revised rate schedules take effect and assuming 75 percent of institutions elect to participate and receive the full RRA (about one year after the effective date of the rule). Small banks, including newly insured institutions, insured branches of foreign banks and those newly defined as small banks under the proposal, would pay approximately 35 percent less in assessments under the proposal after the revised rate schedule take effect and the election for reclassified institutions to be priced as large concludes after eight quarters (about two years after the effective date of the rule). The annual reductions could be significant for smaller institutions which typically have higher operational costs relative to their size.⁸⁹

⁸⁸ See section VII.D., Capital and Earnings Analysis for more details on the estimated changes in annual assessments.

⁸⁹ See, e.g., Hughes, Joseph P., Jagtiani, Julapa, Mester, Loretta J., and Moon, Choon-Geol, "Does scale matter in community bank performance? Evidence obtained by applying several new measures of performance," *Journal of Banking & Finance*, Volume 106, 2019, <https://doi.org/10.1016/j.jbankfin.2019.07.005>; and Kovner, Anna and Vickery, James Ian and Zhou, Lily, "Do Big Banks Have Lower Operating Costs?" Federal Reserve Bank of New York, Economic Policy Review, Vol. 20, No. 2, 2014, <https://www.newyorkfed.org/medialibrary/media/research/epr/2014/EPRvol20no2.pdf>.

2. Effects Due to Reductions in Assessments

Institutions with reduced assessments under the proposal would have reduced noninterest expense commensurate with bank size. Affected IDIs could adjust their balance sheet in several ways. First, they could distribute more income to equity holders or retain additional earnings. Second, they could increase noninterest expenses by increasing salaries and employee benefits, expanding premises or fixed assets, or spending more on data processing or other expenses. Third, with reduced expenses related to holding deposits, banks could pay higher interest to depositors and thereby attract more deposits. Fourth, with reduced expenses related to holding deposits, banks could instead rebalance their asset portfolio, subject to their business models, and capital and other regulatory constraints.⁹⁰ The FDIC acknowledges that institutions could vary their responses and does not have the information necessary to quantify the range of responses.

Any difference in the rate of return between the DIF and how IDIs choose to employ any assessment reductions as a result of the proposal would produce a general welfare effect. As previously discussed, the FDIC does not have the information to forecast how IDIs will utilize the income resulting from the proposal and therefore cannot quantify any such effects.

B. Effects Specific to Small Institutions

As noted previously, under the proposal, the number of IDIs classified as small institutions, including newly

⁹⁰ Analysis of disparities in assessment rates from 1995 to 1996 found that banks with higher assessments shifted to longer maturity and higher yielding assets. See: Shoukry, George F., "Insurance Pricing, Distortions, and Moral Hazard: Quasi-Experimental Evidence from Deposit Insurance", *Journal of Financial and Quantitative Analysis*, 2024; Vol. 59(2), pages 896–932, <https://doi.org/10.1017/S0022109022001491>.

insured small institutions and insured branches of foreign institutions, under 12 CFR 327 would increase by 76 IDIs to 4,271. The FDIC estimates that these 4,271 IDIs would experience a collective decrease in annual assessments of approximately \$1.0 billion, under the proposal, relative to the baseline.⁹¹

1. Balance-Sheet Incentives Due to Reclassification

For the 76 reclassified institutions, differences between the large bank scorecard and the small bank pricing methodology would change their incentives to hold certain assets or liabilities under the proposal, which may result in changes in these institutions' balance sheet composition. As noted in section II.C. of this Supplementary Information, these differences arise because the small bank pricing methodology uses a different set of financial measures and weights based on how the measures corresponded with the probability of failure for small banks.⁹² The FDIC lacks specific data to anticipate how these institutions might adjust their operations or balance sheet compositions in response to the proposal.

2. Increased Flexibility for Small Institutions Under the Proposal With Assets Between \$10 Billion and \$30 Billion

The proposed change in the small institution threshold from \$10 billion to \$30 billion and the subsequent indexing

⁹¹ As discussed previously, institutions reclassified from large to small may experience a cliff effect after switching assessment pricing frameworks. Such institutions could mitigate any changes in assessment costs (and any costs associated with the loss of the option to request discretionary adjustments under the 2011 adjustment guidelines) using the proposal's one-time election to be priced temporarily using the large bank scorecard pricing methodology. See section II.E. for additional details.

⁹² For example, the reclassified banks' incentives to hold liquid assets or stable funding, which are directly tied to assessments in the large bank scorecard, would be reduced under the proposal.

that would be applied to the threshold would provide increased flexibility to all banks between these thresholds as well as banks close to \$10 billion. To the extent the \$10 billion threshold created barriers for banks to grow beyond it, increasing the threshold would allow more banks to determine size based on business needs rather than a regulatory threshold. Due to inflation, the nominal threshold contracts in real terms, so even a bank maintaining a stable operational size could potentially grow to over \$10 billion. As is described in the preamble, raising the threshold to \$30 billion would restore the original stratification of bank sizing, in terms of the distribution of banks across sizes. Moreover, indexing bank classification thresholds with CPI-W will improve transparency and predictability of regulatory requirements, allowing banks to plan operations with more certainty. For example, suppose that inflation is 2.5 percent, a bank of \$27 billion (10 percent below the proposed large-bank size threshold) could maintain steady operations in real terms for four years and remain below the nominal threshold. At that point, if the threshold rose in line with the CPI-W, the bank could expect to remain below the large bank threshold. As such, a bank with nominal growth could stay constant in real terms and experience greater regulatory certainty.⁹³

C. Effects Specific to Large or Highly Complex Institutions That Would Elect To Participate in VDR Testing and Provide Prescribed Data Access

This subsection discusses the large or highly complex institutions that would elect to participate in VDR testing and provide the prescribed data access, and the benefits and costs of that choice. The FDIC does not have data to predict the number of large or highly complex institutions that would elect to participate in, and successfully pass, VDR testing and provide the prescribed data access. For simplicity, and to provide a quantitative discussion of benefits and costs under the proposal, the FDIC assumes that 75 percent of institutions would elect to participate under the proposal.

⁹³ In a historical timeframe, the same approach to indexing would have resulted in fewer banks surpassing a given threshold. In 2021Q4, there were five banks with assets between 85% and 95% of \$30 billion (another bank was in the process of being acquired). Four years later, four of these banks had surpassed \$30 billion. If the \$30 billion value were adjusted for CPI-W growth, it would rise to \$35.6 billion. Only one of the five banks exceeded that size by 2025Q4. So, for this small set of banks near a size threshold (that was not binding at the time), 80% surpassed the threshold without indexing, but only 20% surpassed the threshold with indexing.

1. Benefits

As noted previously, under the proposal, the number of institutions classified as large and highly complex would decrease to 74. The FDIC estimates that the proposal would generally decrease annual assessments for these institutions by approximately 33 percent once all components of the proposal are implemented and assuming 75 percent of large and highly complex institutions elect to participate and receive the full RRA.

Institutions that elect to complete one or both resolution readiness components would directly benefit from a decrease in assessments, which if invested, could earn additional returns. Institutions that elect to complete one or both components would demonstrate readiness for rapid resolution which could pose benefits to the institution and to the FDIC, both before and during the resolution process. For example, the VDR testing and data access engagement could provide information to participating IDIs that may help optimize their business or identify ways to reduce their risk of loss. In the event of failure, the FDIC may need less time to set up a VDR. Providing access to more complete, timely, and accurate data during the bidding process could also preserve the franchise value of the institution, decrease administrative costs of the receivership, and in turn, reduce costs to the DIF in the event of a failure.⁹⁴

2. Reporting Burden

As discussed above, the FDIC assumes 75 percent of large and highly complex institutions would elect to participate in and complete both the VDR and data access components. The total estimated voluntary burden borne by these 56 institutions in the first three years under the proposal would be approximately 3,893 hours per year.⁹⁵ Using an estimated wage rate of \$110.95⁹⁶ per

⁹⁴ Academic research suggests that the higher the cost of due diligence and, more generally, the less relevant information available about a failing institution, the more difficult it becomes for potential acquirers to determine a profitable bidding strategy in the auction. *See, e.g.,* Granja, João, "The Relation Between Bank Resolutions and Information Environment: Evidence from the Auctions for Failed Banks," *Journal of Accounting Research*, 2013, Vol. 51 (5), <https://doi.org/10.1111/1475-679X.12028> and references therein.

⁹⁵ *See* section X.A for additional details. The estimated number of respondents for the data access component is $\frac{3}{4}$ of 56, or 42 institutions, because of the four-year cycle for that component.

⁹⁶ The FDIC's estimated allocations of labor associated with the reporting compliance burden for institutions that would elect to participate in and complete the VDR and data access components reflects an assumption that the majority will be attributable to financial analysts (including

hour, this would amount to total estimated reporting costs of approximately \$431,928 annually for the participating institutions (constituting less than half a percent of their aggregate total noninterest expenses).⁹⁷

3. Additional Economic Considerations and Effects

Institutions that elect to participate would likely incur some regulatory costs, in addition to the reporting costs presented above, to transition their internal systems and processes. The FDIC does not have access to information that would enable it to estimate such costs. However, the FDIC expects that such costs are likely to be small relative to the size of the institutions.

Under the proposal, when the designated reserve ratio is less than 2 percent, the application of the unsecured debt adjustment would start from a lower base assessment rate (after factoring in the downward adjustments) for a large or highly complex institution that elects to participate in and complete both the VDR and data access components.⁹⁸ As of December 2025, 45 large or highly complex institutions received an unsecured debt adjustment under the baseline. For such institutions, participation in the VDR and data access components may change their preferences for the funding mix.

The proposal would revise the assessment rate schedules for large and highly complex institutions when the designated reserve ratio reaches its statutorily mandated level of 2 percent. The revised assessment rates would maintain the adjustments for institutions participating in the VDR and data access components and for

accountants and risk management specialists) and information technology occupations, with executives and managers, and legal occupations accounting for the remaining balance. The estimated weighted average hourly compensation cost of these employees are found by using the 75th percentile hourly wages reported by the Bureau of Labor Statistics (BLS) National Industry-Specific Occupational Employment and Wage Estimates for the relevant occupations in the Depository Credit Intermediation sector, as of May 2024. These wages are adjusted to account for inflation and non-monetary compensation rates for health and other benefits, as of March 2024, to provide a comprehensive estimate of overall compensation.

⁹⁷ The burden excludes any costs incurred by the FDIC to set up and administer the program. This analysis does not quantify the proposal's effect on FDIC administrative costs.

⁹⁸ For a large or highly complex institutions that receives the downward resolution readiness adjustment under the proposal, the unsecured debt adjustment is limited to the lesser of 5 basis points or 50 percent of the bank's initial base assessment rate less any applicable RRA.

their unsecured debt while recognizing the reduced need for assessment collections. Such changes may perpetuate changes to the long-run optimal funding mix for large and highly complex institutions, relative to the baseline levels. The FDIC does not have data on institutions' business models, or associated costs/benefits of changes in their funding mix in future periods to predict their responses to this aspect of the proposal.

Finally, any additional costs that institutions incur after electing to complete both the resolution readiness components may not have significant adverse impacts on the provision of banking services such as originating and servicing loans, processing payments, or various financial market activities that the institutions may be involved in. This analysis illustrates that estimated reporting costs in future years would constitute less than half a percent of current noninterest expenses⁹⁹ for all large and highly complex institutions.

Overall, the FDIC expects that institutions that elect to participate would likely not do so if they determine the costs to be significantly greater than the benefits.

D. Effects on the Deposit Insurance Fund and Safety and Soundness

While the estimated reductions in assessments under the proposal would result in a reduced DIF balance relative to the baseline, as described previously, the FDIC expects a reduction in the losses to the DIF in the event of the failure of a large or highly complex institution that would elect to participate and complete the resolution readiness components. The reclassification of some institutions under the proposal from large to small would focus the overall assessment framework on the most salient aspects of an institution's risk profile. This focus would promote institutions' safety and soundness while reducing assessment burden and enabling additional economic activity.

E. Conclusion

The proposal, if finalized, would provide meaningful economic relief to IDIs through lower assessment rates. The proposal would lower the assessment rate by 2 basis points for small institutions and 1 basis point for large and highly complex institutions. Additionally, it would establish VDR test and data access engagement that would provide meaningful downward

adjustments to assessment rates for large and highly complex institutions that would elect to participate. In total, the proposal would result in an estimated reduction of approximately \$4.0 billion (approximately 33 percent) in annual deposit insurance assessments, once revised rate schedules take effect and assuming 75 percent of large and highly complex institutions elect to participate and receive the full RRA.

Provisions in the proposed rule would provide additional benefits to the banking industry. The increase in the large institution threshold and indexing thereof would increase flexibility to affected IDIs, especially to those with total assets near \$10 billion for whom the current threshold imposes disincentives to grow. The VDR test and data access engagement would provide information to participating IDIs that may help optimize their business or identify ways to reduce their risk of loss. The information gleaned from these tests would reduce losses to the DIF in the event of the failure of a large or highly complex institution, which would mitigate the reduced DIF revenue growth. As described previously, participating institutions could experience voluntary reporting burdens (constituting less than half a percent of their aggregate total noninterest expenses). Such institutions could also incur regulatory burdens to transition their internal systems and processes, which are likely to be small. The FDIC expects that institutions that elect to participate would likely not do so if they determine the costs to be greater than the benefits.

Proposed technical changes to 12 CFR 327 and removal of unnecessary or obsolete provisions would also provide benefits to the banking industry and the public through increased clarity and improved ease of references.

Given the effects described above, the FDIC expects the benefits of the proposal to justify its costs. The FDIC invites comments on this analysis. The FDIC is particularly interested in comments on any material economic effects that the agency has not identified.

IX. Request for Comment

In addition to its request for comment on specific parts of the proposal, the FDIC seeks comment on all aspects of this proposed rulemaking.

Elements of the proposal, including the proposed reduction in initial base assessment rate schedules and the update to the \$10 billion asset threshold in the definitions of small and large institutions to \$30 billion, would address comments received from the

Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA) public notices.¹⁰⁰

X. Regulatory Analysis

A. Paperwork Reduction Act

This notice of proposed rulemaking has been reviewed for compliance with the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501 *et seq.*). In accordance with the PRA, the FDIC may not conduct or sponsor, and an organization is not required to respond to, an information collection unless the information collection displays a currently valid Office of Management and Budget (OMB) control number. The FDIC has reviewed the notice of proposed rulemaking and determined that it would introduce new information collection requirements pursuant to the PRA and necessitate clarification of the instructions to reporting for depository institutions.

The FDIC is seeking a new control number for these information collection requirements and will submit them to OMB for review and approval.

Proposed Information Collection

Title: Resolution Readiness Adjustments.

OMB Control No.: 3064–NEW.

Type of Review: Regular.

Affected Public: Businesses or other for-profit.

Description: Among other things, the proposal would provide a downward resolution readiness adjustment to assessment rates for large and highly complex institutions, including 0.5 basis points for passing virtual data room testing and 0.5 basis points for providing the prescribed data access. The information collection requirements in the proposed rule are as follows:

Section 327.18(d) would allow a large or highly complex financial institution to submit to the FDIC a notice of election to participate in the resolution readiness adjustment.

Section 327.18(e) would allow a large or highly complex financial institution

¹⁰⁰ The EGRPRA requires that regulations prescribed by the Federal Financial Institutions Examination Council, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, and Board of Governors of the Federal Reserve System be reviewed by the agencies not less frequently than once every 10 years. The purpose of the EGRPRA review is to identify outdated or unnecessary regulations and consider how to reduce regulatory burden on insured depository institutions while, at the same time, ensuring their safety and soundness and the safety and soundness of the financial system. Public Law 104–208, Div. A, Title II, section 2222, 110 Stat. 3009–414 (1996) (codified at 12 U.S.C. 3311). See also Regulatory Publication and Review Under the Economic Growth and Regulatory Paperwork Reduction Act of 1996, 90 FR 35241 (Jul. 25, 2025).

⁹⁹ FDIC Call Report data as of March 31, 2025 through December 31, 2025, reported as of February 16, 2026.

to submit to the FDIC information relating to the virtual data room capabilities test.

Section 327.18(f) would allow a large or highly complex financial institution

to submit to the FDIC information relating to the data access capabilities test.

Section 327.18(f)(3)(i) would allow a large or highly complex financial

institution to submit to the FDIC information relating to a material change notice.

BILLING CODE 6714-01-P

Summary of Estimated Annual Burden (OMB No. 3064-NEW)

Information Collection (IC) (Obligation to Respond)	Type of Burden (Frequency of Response)	Number of Respondents	Annual Number of Responses per Respondent	Time per Response (HH:MM)	Annual Burden (Hours)
1. Election for resolution readiness adjustment, 12 CFR 327.18(d) (Required to Obtain or Retain a Benefit)	Reporting (On Occasion)	56	.333	8:00	152
2. Virtual data room capabilities test, 12 CFR 327.18(e) (Required to Obtain or Retain a Benefit)	Reporting (On Occasion)	56	.333	109:00	2,027
3. Data access capabilities, 12 CFR 327.18(f) (Required to Obtain or Retain a Benefit)	Reporting (On Occasion)	42	.333	119:00	1,666
4. Material change notice, 12 CFR 327.18 (f)(3)(i) (Required to Obtain or Retain a Benefit)	Reporting (On Occasion)	1	1	4:00	4

Total Annual Burden (Hours): 3,893

Note: The estimated annual information collection time burden is the product, rounded to the nearest hour, of the estimated annual number of responses and the estimated time per response for a given IC. The estimated annual number of responses is the product, rounded to the nearest whole number, of the estimated annual number of respondents and the estimated annual number of responses per respondent. This methodology ensures the estimated annual burdens in the table are consistent with the values recorded in OMB's consolidated information system.

BILLING CODE 6714-01-C

This final rule will also necessitate clarifications of the instructions to reporting for depository institutions. The FDIC will coordinate with the Office of the Comptroller of the Currency and Board of Governors of the Federal Reserve System, under the auspices of the Federal Financial Institutions Examination Council (FFIEC), to separately address such clarifications to the instructions to the Consolidated Reports of Condition and Income (Call Report) (FFIEC 031, FFIEC 041, and FFIEC 051; OMB Nos. 1557-0081; 3064 0052, and 7100-0036).

Comments are invited on:

(a) Whether the collection of information is necessary for the proper performance of the FDIC's functions, including whether the information has practical utility;

(b) The accuracy of the estimate of the burden of the information collection, including the validity of the methodology and assumptions used;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(d) Ways to minimize the burden of the information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

All comments will become a matter of public record. Comments on aspects of this proposed rule that may affect reporting, recordkeeping, or disclosure requirements and burden estimates should be sent to the address listed in the **ADDRESSES** section. Written comments and recommendations for this information collection also should be sent within 60 days of publication of this document to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 60-day Review—Open for Public Comments" or by using the search function.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) generally requires an agency, in connection with a proposed rule, to

prepare and make available for public comment an initial regulatory flexibility analysis that describes the impact of the proposed rule on small entities.¹⁰¹ However, an initial regulatory flexibility analysis is not required if the agency certifies that the proposed rule will not, if promulgated, have a significant economic impact on a substantial number of small entities. The Small Business Administration (SBA) has defined "small entities" to include banking organizations with total assets of less than or equal to \$850 million.¹⁰² Generally, the FDIC considers a significant economic impact to be a quantified effect in excess of 5 percent of total annual salaries and benefits or 2.5 percent of total noninterest expenses. The FDIC believes that effects in excess of one or more of these thresholds typically represent significant economic impacts for FDIC-supervised institutions.

Certain types of rules, such as rules relating to rates, corporate or financial structures, or practices relating to such rates or structures, are expressly excluded from the definition of "rule" for purposes of RFA.¹⁰³ Because the proposed rule relates directly to the assessment rates imposed on insured depository institutions for deposit insurance and to the deposit insurance assessment system that determines each bank's assessment rate, the proposed rule is not subject to RFA. Nonetheless, the FDIC is voluntarily presenting the following information and is seeking

comment on whether, and the extent to which, the proposed rule would affect small entities.

As noted above, the FDIC is proposing several revisions to its risk-based deposit insurance assessment framework. The FDIC is proposing to: (1) update definitions of small and large institutions;¹⁰⁴ (2) decrease initial base assessment rate schedules by 2 basis points for small institutions and by 1 basis point for large and highly complex institutions; (3) and provide a downward adjustment of up to 1 basis point for large and highly complex institutions based on their election to participate in the virtual data room testing and data access exercise. In addition, the FDIC is proposing to make certain technical amendments to the assessment regulations to remove obsolete provisions.

As of December 31, 2025, the FDIC insured 4,345 institutions,¹⁰⁵ of which 2,996 were "small entities" for purposes of RFA. The proposed 2 basis point reduction in initial base assessment rate schedules for small institutions is the only aspect of the proposed rule that would affect small entities, because no small entities have over \$10 billion in assets, and no small entities are large or highly complex institutions.

As mentioned previously, all small entities would see a 2 basis point reduction in their initial base assessment rate. Based on Call Report data as of December 31, 2025, the FDIC estimates that only two small entities would experience reduced assessment costs in excess of 5 percent of total annual salaries and benefits or 2.5 percent of total noninterest expenses. Thus, the proposed 2 basis point assessment reduction is unlikely to result in a significant impact on a substantial number of small entities.

The FDIC welcomes comments on any aspect of the information presented in

¹⁰¹ 5 U.S.C. 601 *et seq.*

¹⁰² The SBA defines a small banking organization as having \$850 million or less in assets, where an organization's "assets are determined by averaging the assets reported on its four quarterly financial statements for the preceding year." See 13 CFR 121.201 (as amended by 87 FR 69118, effective Dec. 19, 2022). In its determination, the "SBA counts the receipts, employees, or other measure of size of the concern whose size is at issue and all of its domestic and foreign affiliates." See 13 CFR 121.103. Following these regulations, the FDIC uses an insured depository institution's affiliated and acquired assets, averaged over the preceding four quarters, to determine whether the insured depository institution is "small" for the purposes of RFA.

¹⁰³ 5 U.S.C. 601.

¹⁰⁴ Note that the definition of small institution at 12 CFR 327.8(e) encompasses all "small entities", as defined by the RFA.

¹⁰⁵ Analysis is based on data from the Call Report for the reporting period that ended December 31, 2025, reported as of February 16, 2026.

the Regulatory Flexibility Act section and requests comment on whether the proposed rule has a significant effect on a substantial number of small entities.

C. Riegle Community Development and Regulatory Improvement Act

Pursuant to section 302(a) of the Riegle Community Development and Regulatory Improvement Act of 1994 (RCDRIA),¹⁰⁶ in determining the effective date and administrative compliance requirements for new regulations that impose additional reporting, disclosure, or other requirements on IDIs, each Federal banking agency must consider, consistent with principles of safety and soundness and the public interest, any administrative burdens that such regulations would place on affected depository institutions, including small depository institutions, and customers of depository institutions, as well as the benefits of such regulations. In addition, section 302(b) of the RCDRIA requires new regulations and amendments to regulations that impose additional reporting, disclosures, or other new requirements on IDIs generally to take effect on the first day of a calendar quarter that begins on or after the date on which the regulations are published in final form. The FDIC invites comments that further will inform its consideration of the RCDRIA.¹⁰⁷

D. Plain Language

Section 722 of the Gramm-Leach-Bliley Act¹⁰⁸ requires the Federal banking agencies to use plain language in all proposed and final rulemakings published in the **Federal Register** after January 1, 2000. The FDIC invites your comments on how to make this proposed rule easier to understand, including the following:

- Has the FDIC organized the material to suit your needs? If not, how could the proposed rule be more clearly stated?
- Are the requirements in the proposed rule clearly stated? If not, how could the proposed rule be more clearly stated?
- Does the proposed rule contain language or jargon that is not clear? If so, which language requires clarification?
- Would a different format (grouping and order of sections, use of headings, paragraphing) make the proposed rule easier to understand? If so, what changes to the format would make the proposed rule easier to understand?

- What else could the FDIC do to make the proposed rule easier to understand?

E. Executive Orders 12866, 13563, and 14192

Executive Order 12866 directs agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits. This proposed rule was drafted and reviewed in accordance with Executive Order 12866. Within OMB, the Office of Information and Regulatory Affairs (OIRA) has determined that this rulemaking is a “significant regulatory action” under section 3(f)(1) of Executive Order 12866. Accordingly, the draft rule was submitted to OIRA for review. As noted in other sections of the **SUPPLEMENTARY INFORMATION** of this document, the FDIC has assessed the costs and benefits of this rulemaking and has made a reasoned determination that the benefits of this rulemaking justify its costs. Executive Order 14192, titled “Unleashing Prosperity Through Deregulation,” was issued on January 31, 2025. Section 3(a) of Executive Order 14192 requires an agency, unless prohibited by law, to identify at least ten existing regulations to be repealed when the agency publicly proposes for notice and comment or otherwise promulgates a new regulation. In furtherance of this standard, section 3(c) of Executive Order 14192 requires that the new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least ten prior regulations. This proposed rule, if finalized as proposed, is not expected to be a regulatory action under Executive Order 14192.

List of Subjects in 12 CFR Part 327

Bank deposit insurance, Banks, Banking, Savings associations.

For the reasons stated in the preamble, the Federal Deposit Insurance Corporation proposes to amend 12 CFR part 327 as follows:

PART 327—ASSESSMENTS

- 1. The authority citation for part 327 continues to read as follows:

Authority: 12 U.S.C. 1813, 1815, 1817–19, 1821, 1823.

- 2. Amend § 327.4(c) by removing “(§ 327.16(f)(3))” after the word “institution” in the third sentence.

- 3. Amend § 327.8 by revising paragraphs (e), (f), and (g) to read as follows:

* * * * *

(e) Small institution.

(1) *In general.* An insured depository institution with total assets of less than \$30 billion, excluding assets as described in § 327.17(e), as of [effective date of rule], and an insured branch of a foreign institution shall be classified as a small institution.

(2) *Transition from large to small institution.* Except as provided in paragraph (e)(3) of this section, if an institution classified as large under paragraph (f) of this section reports total assets of less than \$30 billion in its quarterly reports of condition for four consecutive quarters after [effective date of rule], excluding assets as described in § 327.17(e), the FDIC will reclassify the institution as small beginning the following quarter.

(3) *CBLR exception.* An insured depository institution that elects to use the community bank leverage ratio framework under 12 CFR 3.12(a)(3), 12 CFR 217.12(a)(3), or 12 CFR 324.12(a)(3), shall be classified as a small institution, even if that institution otherwise would be classified as a large institution under paragraph (f) of this section.

(4) *One-time election.* An institution with total assets of more than \$10 billion but less than \$30 billion as of [effective date of rule] that was classified as large under paragraph (f) of this section for [the assessment period immediately preceding effective date of rule] may elect to continue to be classified as large until [eight quarters from effective date of rule].

(i) An institution that makes this election will be classified as small starting [ninth quarter after effective date of rule] if it reports total assets less than \$30 billion in its quarterly reports of condition for the quarter ending [eighth quarter after effective date of rule].

(ii) An institution that makes this election and reports total assets of \$30 billion or more for four consecutive quarters will be classified as a large institution until it is reclassified as small under paragraph (e)(2) of this section.

(iii) An institution that makes this election will not be subject to the resolution readiness adjustment under § 327.18 unless it satisfies the definition of large or highly complex institution because it reports total assets of \$30 billion or more for four consecutive quarters.

(f) Large institution.

¹⁰⁶ 12 U.S.C. 4802(a).

¹⁰⁷ 12 U.S.C. 4802(b).

¹⁰⁸ Public Law 106–102, section 722, 113 Stat. 1338, 1471 (1999), 12 U.S.C. 4809.

(1) *In general.* An insured depository institution with total assets of \$30 billion or more, excluding assets as described in § 327.17(e), as of [effective date of rule] (other than an insured branch of a foreign bank or a highly complex institution) shall be classified as a large institution.

(2) *Transition from small to large institution.* If an institution classified as small under paragraph (e) of this section reports total assets of \$30 billion or more in its quarterly reports of condition for four consecutive quarters after [effective date of final rule], excluding assets as described in § 327.17(e), the FDIC will reclassify the institution as large beginning the following quarter.

(g) *Highly complex institution.*

(1) * * *

(2) Control has the same meaning as in section 3(w)(5) of the FDI Act. A U.S. parent holding company is a parent holding company incorporated or organized under the laws of the United States or any State, as the term “State” is defined in section 3(a)(3) of the FDI

Act. If, after December 31, 2010, an institution classified as highly complex under paragraph (g)(1)(i) of this section falls below \$50 billion in total assets in its quarterly reports of condition for four consecutive quarters, or its parent holding company or companies fall below \$500 billion in total assets for four consecutive quarters, the FDIC will reclassify the institution beginning the following quarter. If, after December 31, 2010, an institution classified as highly complex under paragraph (g)(1)(ii) of this section falls below \$10 billion in total assets for four consecutive quarters, the FDIC will reclassify the institution beginning the following quarter.

* * * * *

■ 4. Amend § 327.10 by revising paragraphs (a) through (e) to read as follows:

§ 327.10 Assessment rate schedules.

(a) Assessment rate schedules for established small institutions and large and highly complex institutions

applicable in the first assessment period after December 31, 2022, and in all subsequent assessment periods through the assessment period ending [the quarter prior to the quarter during which a final rule becomes effective], where the reserve ratio of the DIF as of the end of the prior assessment period is less than 2 percent.

(1) *Initial base assessment rate schedule for established small institutions and large and highly complex institutions.* In the first assessment period after December 31, 2022, and for all subsequent assessment periods through the assessment period ending [the quarter prior to the quarter during which a final rule becomes effective], where the reserve ratio as of the end of the prior assessment period is less than 2 percent, the initial base assessment rate for established small institutions and large and highly complex institutions, except as provided in paragraph (f) of this section, shall be the rate prescribed in the schedule in the following table:

TABLE 1 TO PARAGRAPH (a)(1) INTRODUCTORY TEXT—INITIAL BASE ASSESSMENT RATE SCHEDULE BEGINNING THE FIRST ASSESSMENT PERIOD AFTER DECEMBER 31, 2022, AND FOR ALL SUBSEQUENT ASSESSMENT PERIODS THROUGH THE ASSESSMENT PERIOD ENDING [THE QUARTER PRIOR TO THE QUARTER DURING WHICH A FINAL RULE BECOMES EFFECTIVE], WHERE THE RESERVE RATIO AS OF THE END OF THE PRIOR ASSESSMENT PERIOD IS LESS THAN 2 PERCENT¹

	Established small institutions			Large & highly complex institutions
	CAMELS composite			
	1 or 2	3	4 or 5	
Initial Base Assessment Rate	5 to 18	8 to 32	18 to 32	5 to 32

¹ All amounts for all risk categories are in basis points annually. Initial base rates that are not the minimum or maximum rate will vary between these rates.

(i) *CAMELS composite 1- and 2-rated established small institutions initial base assessment rate schedule.* The annual initial base assessment rates for all established small institutions with a CAMELS composite rating of 1 or 2 shall range from 5 to 18 basis points.

(ii) *CAMELS composite 3-rated established small institutions initial base assessment rate schedule.* The annual initial base assessment rates for all established small institutions with a CAMELS composite rating of 3 shall range from 8 to 32 basis points.

(iii) *CAMELS composite 4- and 5-rated established small institutions initial base assessment rate schedule.* The annual initial base assessment rates for all established small institutions with a CAMELS composite rating of 4 or 5 shall range from 18 to 32 basis points.

(iv) *Large and highly complex institutions initial base assessment rate schedule.* The annual initial base assessment rates for all large and highly complex institutions shall range from 5 to 32 basis points.

(2) *Total base assessment rate schedule after adjustments.* In the first

assessment period after December 31, 2022, and for all subsequent assessment periods through the assessment period ending [the quarter prior to the quarter during which a final rule becomes effective], where the reserve ratio for the prior assessment period is less than 2 percent, the total base assessment rates after adjustments for established small institutions and large and highly complex institutions, except as provided in paragraph (f) of this section, shall be as prescribed in the schedule in the following table:

TABLE 2 TO PARAGRAPH (a)(2) INTRODUCTORY TEXT—TOTAL BASE ASSESSMENT RATE SCHEDULE (AFTER ADJUSTMENTS) ¹ BEGINNING THE FIRST ASSESSMENT PERIOD AFTER DECEMBER 31, 2022, AND FOR ALL SUBSEQUENT ASSESSMENT PERIODS THROUGH THE ASSESSMENT PERIOD ENDING [THE QUARTER PRIOR TO THE QUARTER DURING WHICH A FINAL RULE BECOMES EFFECTIVE], WHERE THE RESERVE RATIO AS OF THE END OF THE PRIOR ASSESSMENT PERIOD IS LESS THAN 2 PERCENT ²

	Established small institutions			Large & highly complex institutions
	CAMELS composite			
	1 or 2	3	4 or 5	
Initial Base Assessment Rate	5 to 18	8 to 32	18 to 32	5 to 32
Unsecured Debt Adjustment	– 5 to 0	– 5 to 0	– 5 to 0	– 5 to 0
Brokered Deposit Adjustment	N/A	N/A	N/A	0 to 10
Total Base Assessment Rate	2.5 to 18	4 to 32	13 to 32	2.5 to 42

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates.

(i) *CAMELS composite 1- and 2-rated established small institutions total base assessment rate schedule.* The annual total base assessment rates for all established small institutions with a CAMELS composite rating of 1 or 2 shall range from 2.5 to 18 basis points.

(ii) *CAMELS composite 3-rated established small institutions total base assessment rate schedule.* The annual total base assessment rates for all established small institutions with a CAMELS composite rating of 3 shall range from 4 to 32 basis points.

(iii) *CAMELS composite 4- and 5-rated established small institutions total base assessment rate schedule.* The

annual total base assessment rates for all established small institutions with a CAMELS composite rating of 4 or 5 shall range from 13 to 32 basis points.

(iv) *Large and highly complex institutions total base assessment rate schedule.* The annual total base assessment rates for all large and highly complex institutions shall range from 2.5 to 42 basis points.

(b) Assessment rate schedules for established small institutions and large and highly complex institutions beginning [the quarter in which a final rule becomes effective], where the reserve ratio of the DIF as of the end of

the prior assessment period is less than 2 percent.

(1) *Initial base assessment rate schedule for established small institutions and large and highly complex institutions.* Beginning [the quarter in which a final rule becomes effective], where the reserve ratio of the DIF as of the end of the prior assessment period is less than 2 percent, the initial base assessment rate for established small institutions and large and highly complex institutions, except as provided in paragraph (f) of this section, shall be the rate prescribed in the schedule in the following table:

TABLE 3 TO PARAGRAPH (b)(1) INTRODUCTORY TEXT—INITIAL BASE ASSESSMENT RATE SCHEDULE BEGINNING [THE QUARTER IN WHICH A FINAL RULE BECOMES EFFECTIVE], WHERE THE RESERVE RATIO AS OF THE END OF THE PRIOR ASSESSMENT PERIOD IS LESS THAN 2 PERCENT ¹

	Established small institutions			Large & highly complex institutions
	CAMELS composite			
	1 or 2	3	4 or 5	
Initial Base Assessment Rate	3 to 16	6 to 30	16 to 30	4 to 31

¹ All amounts for all risk categories are in basis points annually. Initial base rates that are not the minimum or maximum rate will vary between these rates.

(i) *CAMELS composite 1- and 2-rated established small institutions initial base assessment rate schedule.* The annual initial base assessment rates for all established small institutions with a CAMELS composite rating of 1 or 2 shall range from 3 to 16 basis points.

(ii) *CAMELS composite 3-rated established small institutions initial base assessment rate schedule.* The annual initial base assessment rates for all established small institutions with a CAMELS composite rating of 3 shall range from 6 to 30 basis points.

(iii) *CAMELS composite 4- and 5-rated established small institutions initial base assessment rate schedule.* The annual initial base assessment rates for all established small institutions with a CAMELS composite rating of 4 or 5 shall range from 16 to 30 basis points.

(iv) *Large and highly complex institutions initial base assessment rate schedule.* The annual initial base assessment rates for all large and highly complex institutions shall range from 4 to 31 basis points.

(2) *Total base assessment rate schedule after adjustments.* Beginning [the quarter in which a final rule becomes effective], where the reserve ratio of the DIF as of the end of the prior assessment period is less than 2 percent, the total base assessment rates after adjustments for established small institutions and large and highly complex institutions, except as provided in paragraph (f) of this section, shall be as prescribed in the schedule in the following table:

TABLE 4 TO PARAGRAPH (b)(2) INTRODUCTORY TEXT—TOTAL BASE ASSESSMENT RATE SCHEDULE (AFTER ADJUSTMENTS)¹ BEGINNING [THE QUARTER IN WHICH A FINAL RULE BECOMES EFFECTIVE], WHERE THE RESERVE RATIO AS OF THE END OF THE PRIOR ASSESSMENT PERIOD IS LESS THAN 2 PERCENT²

	Established small institutions			Large & highly complex institutions
	CAMELS composite			
	1 or 2	3	4 or 5	
Initial Base Assessment Rate	3 to 16	6 to 30	16 to 30	4 to 31
Resolution Readiness Adjustment	N/A	N/A	N/A	– 1 to 0
Unsecured Debt Adjustment	– 5 to 0	– 5 to 0	– 5 to 0	– 5 to 0
Brokered Deposit Adjustment	N/A	N/A	N/A	0 to 10
Total Base Assessment Rate	1.5 to 16	3 to 30	11 to 30	1.5 to 41

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates.

(i) *CAMELS composite 1- and 2-rated established small institutions total base assessment rate schedule.* The annual total base assessment rates for all established small institutions with a CAMELS composite rating of 1 or 2 shall range from 1.5 to 16 basis points.

(ii) *CAMELS composite 3-rated established small institutions total base assessment rate schedule.* The annual

total base assessment rates for all established small institutions with a CAMELS composite rating of 3 shall range from 3 to 30 basis points.

(iii) *CAMELS composite 4- and 5-rated established small institutions total base assessment rate schedule.* The annual total base assessment rates for all established small institutions with a

CAMELS composite rating of 4 or 5 shall range from 11 to 30 basis points.

(iv) *Large and highly complex institutions total base assessment rate schedule.* The annual total base assessment rates for all large and highly complex institutions shall range from 1.5 to 41 basis points.

(c) * * *

(1) * * *

TABLE 5 TO PARAGRAPH (c)(1) INTRODUCTORY TEXT—INITIAL BASE ASSESSMENT RATE SCHEDULE IF THE RESERVE RATIO AS OF THE END OF THE PRIOR ASSESSMENT PERIOD IS EQUAL TO OR GREATER THAN 2 PERCENT BUT LESS THAN 2.5 PERCENT¹

	Established small institutions			Large & highly complex institutions
	CAMELS composite			
	1 or 2	3	4 or 5	
Initial Base Assessment Rate	2 to 14	5 to 28	14 to 28	3 to 29

¹ All amounts for all risk categories are in basis points annually. Initial base rates that are not the minimum or maximum rate will vary between these rates.

(i) * * *

(ii) * * *

(iii) * * *

(iv) *Large and highly complex institutions initial base assessment rate schedule.* The annual initial base assessment rates for all large and highly

complex institutions shall range from 3 to 29 basis points.

(2) * * *

TABLE 6 TO PARAGRAPH (c)(2) INTRODUCTORY TEXT—TOTAL BASE ASSESSMENT RATE SCHEDULE (AFTER ADJUSTMENTS)¹ IF THE RESERVE RATIO AS OF THE END OF THE PRIOR ASSESSMENT PERIOD IS EQUAL TO OR GREATER THAN 2 PERCENT BUT LESS THAN 2.5 PERCENT²

	Established small institutions			Large & highly complex institutions
	CAMELS composite			
	1 or 2	3	4 or 5	
Initial Base Assessment Rate	2 to 14	5 to 28	14 to 28	3 to 29
Resolution Readiness Adjustment	N/A	N/A	N/A	– 1 to 0
Unsecured Debt Adjustment	– 5 to 0	– 5 to 0	– 5 to 0	– 5 to 0
Brokered Deposit Adjustment	N/A	N/A	N/A	0 to 10
Total Base Assessment Rate	1 to 14	2.5 to 28	9 to 28	1 to 39

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates.

- (i) * * * (iv) *Large and highly complex institutions total base assessment rate schedule.* The annual total base assessment rates for all large and highly complex institutions shall range from 1 to 39 basis points.
- (ii) * * * (d) * * *
- (iii) * * * (1) * * *

TABLE 7 TO PARAGRAPH (d)(1) INTRODUCTORY TEXT—INITIAL BASE ASSESSMENT RATE SCHEDULE IF THE RESERVE RATIO AS OF THE END OF THE PRIOR ASSESSMENT PERIOD IS EQUAL TO OR GREATER THAN 2.5 PERCENT ¹

	Established small institutions			Large & highly complex institutions
	CAMELS composite			
	1 or 2	3	4 or 5	
Initial Base Assessment Rate	1 to 13	4 to 25	13 to 25	2 to 26

¹ All amounts for all risk categories are in basis points annually. Initial base rates that are not the minimum or maximum rate will vary between these rates.

- (i) * * * (iv) *Large and highly complex institutions initial base assessment rate schedule.* The annual initial base assessment rates for all large and highly complex institutions shall range from 2 to 26 basis points.
- (ii) * * * (2) * * *
- (iii) * * *

TABLE 8 TO PARAGRAPH (d)(2) INTRODUCTORY TEXT—TOTAL BASE ASSESSMENT RATE SCHEDULE (AFTER ADJUSTMENTS) ¹ IF THE RESERVE RATIO AS OF THE END OF THE PRIOR ASSESSMENT PERIOD IS EQUAL TO OR GREATER THAN 2.5 PERCENT ²

	Established small institutions			Large & highly complex institutions
	CAMELS composite			
	1 or 2	3	4 or 5	
Initial Base Assessment Rate	1 to 13	4 to 25	13 to 25	2 to 26
Resolution Readiness Adjustment	N/A	N/A	N/A	– 1 to 0
Unsecured Debt Adjustment	– 5 to 0	– 5 to 0	– 5 to 0	– 5 to 0
Brokered Deposit Adjustment	N/A	N/A	N/A	0 to 10
Total Base Assessment Rate	0.5 to 13	2 to 25	8 to 25	0.5 to 36

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates.

- (i) * * *
- (ii) * * *
- (iii) * * *

(iv) *Large and highly complex institutions total base assessment rate schedule.* The annual total base assessment rates for all large and highly complex institutions shall range from 0.5 to 36 basis points.

(e) *Assessment rate schedules for new institutions and insured branches of foreign banks.*

(1) New depository institutions, as defined in § 327.8(j), shall be subject to the assessment rate schedules as follows:

(i) *Assessment rate schedules for new large and highly complex institutions after December 31, 2022, and through the assessment period ending [the quarter prior to the quarter during which a final rule becomes effective].* In

the first assessment period after December 31, 2022, and for all subsequent assessment periods through the assessment period ending [the quarter prior to the quarter during which a final rule becomes effective], new large and new highly complex institutions shall be subject to the initial and total base assessment rate schedules provided for in paragraph (a) of this section.

(ii) *Assessment rate schedules for new large and highly complex institutions beginning [the quarter in which a final rule becomes effective] and for all subsequent periods.* Beginning in [the quarter in which a final rule becomes effective] and for all subsequent assessment periods, new large and new highly complex institutions shall be subject to the initial and total base

assessment rate schedules provided for in paragraph (b) of this section.

(iii) *Assessment rate schedules for new small institutions beginning the first assessment period after December 31, 2022, and for all subsequent assessment periods through the assessment period ending [the quarter prior to the quarter during which a final rule becomes effective].*

(A) *Initial base assessment rate schedule for new small institutions.* In the first assessment period after December 31, 2022, and for all subsequent assessment periods through the assessment period ending [the quarter prior to the quarter during which a final rule becomes effective], the initial base assessment rate for a new small institution shall be the rate prescribed in the schedule in the following table:

TABLE 9 TO PARAGRAPH (e)(1)(iii)(A) INTRODUCTORY TEXT—INITIAL BASE ASSESSMENT RATE SCHEDULE BEGINNING THE FIRST ASSESSMENT PERIOD AFTER DECEMBER 31, 2022 AND FOR ALL SUBSEQUENT ASSESSMENT PERIODS THROUGH THE ASSESSMENT PERIOD ENDING [THE QUARTER PRIOR TO THE QUARTER DURING WHICH A FINAL RULE BECOMES EFFECTIVE]¹

	Risk Category I	Risk Category II	Risk Category III	Risk Category IV
Initial Assessment Rate	9	14	21	32

¹ All amounts for all risk categories are in basis points annually.

(1) *Risk category I initial base assessment rate schedule.* The annual initial base assessment rates for all new small institutions in Risk Category I shall be 9 basis points.

(2) *Risk category II, III, and IV initial base assessment rate schedule.* The annual initial base assessment rates for

all new small institutions in Risk Categories II, III, and IV shall be 14, 21, and 32 basis points, respectively.

(B) *Total base assessment rate schedule for new small institutions.* In the first assessment period after December 31, 2022, and for all subsequent assessment periods through

the assessment period ending [the quarter prior to the quarter during which a final rule becomes effective], the total base assessment rates after adjustments for a new small institution shall be the rate prescribed in the schedule in the following table:

TABLE 10 TO PARAGRAPH (e)(1)(iii)(B) INTRODUCTORY TEXT—TOTAL BASE ASSESSMENT RATE SCHEDULE (AFTER ADJUSTMENTS)¹ BEGINNING THE FIRST ASSESSMENT PERIOD AFTER DECEMBER 31, 2022, AND FOR ALL SUBSEQUENT ASSESSMENT PERIODS THROUGH THE ASSESSMENT PERIOD ENDING [THE QUARTER PRIOR TO THE QUARTER DURING WHICH A FINAL RULE BECOMES EFFECTIVE]²

	Risk Category I	Risk Category II	Risk Category III	Risk Category IV
Initial Assessment Rate	9	14	21	32
Brokered Deposit Adjustment (added)	N/A	0 to 10	0 to 10	0 to 10
Total Base Assessment Rate	9	14 to 24	21 to 31	32 to 42

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates.

(1) *Risk category I total assessment rate schedule.* The annual total base assessment rates for all new small institutions in Risk Category I shall be 9 basis points.

(2) *Risk category II total assessment rate schedule.* The annual total base assessment rates for all new small institutions in Risk Category II shall range from 14 to 24 basis points.

(3) *Risk category III total assessment rate schedule.* The annual total base assessment rates for all new small

institutions in Risk Category III shall range from 21 to 31 basis points.

(4) *Risk category IV total assessment rate schedule.* The annual total base assessment rates for all new small institutions in Risk Category IV shall range from 32 to 42 basis points.

(iv) *Assessment rate schedules for new small institutions beginning the [quarter in which a final rule becomes effective] and for all subsequent assessment periods—*

(A) *Initial base assessment rate schedule for new small institutions.* Beginning in [the quarter in which a final rule becomes effective] and for all subsequent assessment periods, the initial base assessment rate for a new small institution shall be the rate prescribed in the schedule in the following table, even if the reserve ratio equals or exceeds 2 percent or 2.5 percent:

TABLE 11 TO PARAGRAPH (e)(1)(iv)(A) INTRODUCTORY TEXT—INITIAL BASE ASSESSMENT RATE SCHEDULE BEGINNING THE FIRST ASSESSMENT PERIOD [IN THE QUARTER IN WHICH A FINAL RULE BECOMES EFFECTIVE] AND FOR ALL SUBSEQUENT ASSESSMENT PERIODS¹

	Risk Category I	Risk Category II	Risk Category III	Risk Category IV
Initial Assessment Rate	7	12	19	30

¹ All amounts for all risk categories are in basis points annually.

(1) *Risk category I initial base assessment rate schedule.* The annual initial base assessment rates for all new small institutions in Risk Category I shall be 7 basis points.

(2) *Risk category II, III, and IV initial base assessment rate schedule.* The annual initial base assessment rates for

all new small institutions in Risk Categories II, III, and IV shall be 12, 19, and 30 basis points, respectively.

(B) *Total base assessment rate schedule for new small institutions.* Beginning in [the quarter in which a final rule becomes effective] and for all subsequent assessment periods, the total

base assessment rates after adjustments for a new small institution shall be the rate prescribed in the schedule in the following table, even if the reserve ratio equals or exceeds 2 percent or 2.5 percent:

TABLE 12 TO PARAGRAPH (e)(1)(iv)(B) INTRODUCTORY TEXT—TOTAL BASE ASSESSMENT RATE SCHEDULE (AFTER ADJUSTMENTS) ¹ BEGINNING [THE QUARTER IN WHICH A FINAL RULE BECOMES EFFECTIVE] AND FOR ALL SUBSEQUENT ASSESSMENT PERIODS ²

	Risk Category I	Risk Category II	Risk Category III	Risk Category IV
Initial Assessment Rate	7	12	19	30
Brokered Deposit Adjustment (added)	N/A	0 to 10	0 to 10	0 to 10
Total Base Assessment Rate	7	12 to 22	19 to 29	30 to 40

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates.

(1) *Risk category I total assessment rate schedule.* The annual total base assessment rates for all new small institutions in Risk Category I shall be 7 basis points.

(2) *Risk category II total assessment rate schedule.* The annual total base assessment rates for all new small institutions in Risk Category II shall range from 12 to 22 basis points.

(3) *Risk category III total assessment rate schedule.* The annual total base assessment rates for all new small institutions in Risk Category III shall range from 19 to 29 basis points.

(4) *Risk category IV total assessment rate schedule.* The annual total base assessment rates for all new small institutions in Risk Category IV shall range from 30 to 40 basis points.

(2) *Insured branches of foreign banks—*

(i) *Beginning the first assessment period after December 31, 2022, and for all subsequent assessment periods through the assessment period ending [the quarter prior to the quarter during which a final rule becomes effective], where the reserve ratio as of the end of the prior assessment period is less than*

2 percent. In the first assessment period after December 31, 2022, and for all subsequent assessment periods through the assessment period ending [the quarter prior to the quarter during which a final rule becomes effective], where the reserve ratio as of the end of the prior assessment period is less than 2 percent, the initial and total base assessment rates for an insured branch of a foreign bank, except as provided in paragraph (f) of this section, shall be the rate prescribed in the schedule in the following table:

TABLE 13 TO PARAGRAPH (e)(2)(i) INTRODUCTORY TEXT—INITIAL AND TOTAL BASE ASSESSMENT RATE SCHEDULE ¹ BEGINNING THE FIRST ASSESSMENT PERIOD AFTER DECEMBER 31, 2022, AND FOR ALL SUBSEQUENT ASSESSMENT PERIODS THROUGH THE ASSESSMENT PERIOD ENDING [THE QUARTER PRIOR TO THE QUARTER DURING WHICH A FINAL RULE BECOMES EFFECTIVE], WHERE THE RESERVE RATIO AS OF THE END OF THE PRIOR ASSESSMENT PERIOD IS LESS THAN 2 PERCENT ²

	Risk Category I	Risk Category II	Risk Category III	Risk Category IV
Initial and Total Assessment Rate	5 to 9	14	21	32

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Initial and total base rates that are not the minimum or maximum rate will vary between these rates.

(A) *Risk category I initial and total base assessment rate schedule.* The annual initial and total base assessment rates for an insured branch of a foreign bank in Risk Category I shall range from 5 to 9 basis points.

(B) *Risk category II, III, and IV initial and total base assessment rate schedule.* The annual initial and total base assessment rates for Risk Categories II,

III, and IV shall be 14, 21, and 32 basis points, respectively.

(C) * * *

(ii) *Assessment rate schedule for insured branches of foreign banks beginning [the quarter in which a final rule becomes effective], where the reserve ratio of the DIF as of the end of the prior assessment period is less than 2 percent.* Beginning [the quarter in

which a final rule becomes effective], where the reserve ratio of the DIF as of the end of the prior assessment period is less than 2 percent, the initial and total base assessment rates for an insured branch of a foreign bank, except as provided in paragraph (f) of this section, shall be the rate prescribed in the schedule in the following table:

TABLE 14 TO PARAGRAPH (e)(2)(ii) INTRODUCTORY TEXT—INITIAL AND TOTAL BASE ASSESSMENT RATE SCHEDULE ¹ BEGINNING [THE QUARTER IN WHICH A FINAL RULE BECOMES EFFECTIVE], WHERE THE RESERVE RATIO AS OF THE END OF THE PRIOR ASSESSMENT PERIOD IS LESS THAN 2 PERCENT ²

	Risk category I	Risk category II	Risk category III	Risk category IV
Initial and Total Assessment Rate	3 to 7	12	19	30

¹ The depository institution debt adjustment, which is not included in the table, can increase total base assessment rates above the maximum assessment rates shown in the table.

² All amounts for all risk categories are in basis points annually. Initial and total base rates that are not the minimum or maximum rate will vary between these rates.

(A) *Risk category I initial and total base assessment rate schedule.* The annual initial and total base assessment rates for an insured branch of a foreign bank in Risk Category I shall range from 3 to 7 basis points.

(B) *Risk category II, III, and IV initial and total base assessment rate schedule.* The annual initial and total base assessment rates for Risk Categories II, III, and IV shall be 12, 19, and 30 basis points, respectively.

* * * * *

■ 5. Revise § 327.11 to read as follows:

§ 327.11 Assessments thresholds indexing.

(a) *Methodology.* The dollar thresholds specified in paragraph (c) of this section shall be adjusted by multiplying the baseline threshold value for the thresholds specified in paragraph (c) of this section by one plus the cumulative percent change in the non-seasonally adjusted Consumer Price Index for Urban Wage Earners and Clerical Workers, measured from [the effective date of this rule], as further described in paragraph (b) of this section, and shall be rounded in accordance with paragraph (d) of this section.

(b) *Frequency—*

(1) *In general.* Except as otherwise provided in paragraph (b)(2) or (3) of this section, the adjustments described in paragraph (a) of this section shall be effective on October 1 following each consecutive four-year period ending August 31, and using the non-seasonally adjusted Consumer Price Index for Urban Wage Earners and Clerical Workers as of August 31 of that year.

(2) *First adjustment.* The first adjustment described in paragraph (a) of this section, which shall be effective on October 1, 2029, shall be made using one plus the cumulative percent change in the non-seasonally adjusted Consumer Price Index for Urban Wage Earners and Clerical Workers through August 31, 2029.

(3) *Periods of negative inflation.* Notwithstanding paragraph (b)(1) or (2) of this section, if an adjustment of dollar thresholds using the cumulative percent change of the non-seasonally adjusted Consumer Price Index for Urban Wage Earners and Clerical Workers from the effective date of this rule or the most recent adjustment, as applicable, would not result in an increase from the current dollar thresholds, no adjustment will be made pursuant to paragraph (a) of this section.

(c) *Specified thresholds.* The thresholds in the following sections shall be adjusted in accordance with paragraph (a) of this section:

(1) § 327.8(e), baseline threshold value \$30 billion as of October 1, 2029; and

(2) § 327.8(f), baseline threshold value \$30 billion as of October 1, 2029;

(d) *Rounding.* When adjusting thresholds under this section, each threshold shall be rounded to the nearest number with two significant digits.

(e) *Effective date of threshold adjustments.* The FDIC shall announce the thresholds adjusted in accordance with this section by publishing in the **Federal Register** a final rule without notice and comment. Such adjusted thresholds shall be effective on October 1 of the year during which an adjustment is made.

(f) *Failure to publish final rule in Federal Register.* In the event, for any reason, a final rule is not published in the **Federal Register** in a year in which an adjustment is made under this section, the thresholds specified in paragraph (c) of this section will adjust as provided in this section and be effective on October 1, notwithstanding the lack of a final rule published in the **Federal Register**.

§ 327.12 [Removed and Reserved]

■ 6. Remove and reserve § 327.12.

■ 7. Amend § 327.16 as follows:

■ a. Revise paragraphs (a)(1)(i) and (d)(4)(ii);

■ b. Revise paragraph (e)(1)(ii);

■ c. Add new paragraph (e)(4); and

■ d. Remove and reserve paragraph (f).

The revisions and additions read as follows:

§ 327.16 Assessment pricing methods—beginning the first assessment period after June 30, 2016, where the reserve ratio of the DIF as of the end of the prior assessment period has reached or exceeded 1.15 percent.

* * * * *

(a) * * *

(1) * * *

(i) *Uniform amount.* Except as adjusted for the actual assessment rates set by the Board under § 327.10(f), the uniform amount shall be:

(A) 9.352 whenever the assessment rate schedule set forth in § 327.10(a) is in effect;

(B) 7.352 whenever the assessment rate schedule set forth in § 327.10(b) is in effect;

(C) 6.188 whenever the assessment rate schedule set forth in § 327.10(c) is in effect; or

(D) 4.870 whenever the assessment rate schedule set forth in § 327.10(d) is in effect.

* * * * *

(d) * * *

(4) * * *

(ii) *Uniform amount.* Except as adjusted for the actual assessment rates set by the Board under § 327.10(f), the uniform amount for all insured branches of foreign banks shall be:

(A) – 3.127 whenever the assessment rate schedule set forth in § 327.10(a) is in effect;

(B) – 5.127 whenever the assessment rate schedule set forth in § 327.10(b) is in effect;

(C) – 6.127 whenever the assessment rate schedule set forth in § 327.10(c) is in effect; or

(D) – 7.127 whenever the assessment rate schedule set forth in § 327.10(d) is in effect.

* * * * *

(e) * * *

(1) * * *

(ii) *Limitation.* No unsecured debt adjustment for any institution shall exceed the lesser of 5 basis points or 50 percent of the institution's initial base assessment rate less any applicable resolution readiness adjustment.

(iii) * * *

(2) * * *

(3) * * *

(4) *Resolution readiness adjustment.* All large institutions and all highly complex institutions (including new large and new highly complex institutions) shall be subject to the resolution readiness adjustment under § 327.18.

(f) [Reserved]

* * * * *

■ 8. Amend § 327.17(e) by removing the last sentence starting with the word “Any” and ending with “§ 327.16(f).”

■ 9. Add § 327.18 to read as follows:

§ 327.18 Resolution Readiness Adjustment for Large Institutions and Highly Complex Institutions.

(a) *Scope.* This section applies to all large institutions as defined in § 327.8(f) and all highly complex institutions as defined in § 327.8(g).

(b) *Definitions.*

(1) *Data access adjustment* means a 0.5 basis point downward adjustment applied to a large or highly complex institution's initial base assessment rate.

(2) *Key depositors* means an institution's depositors that hold or control the largest deposits (whether in one account or multiple accounts) that collectively are material to one or more business segments.

(3) *Key personnel* has the same meaning as in § 360.10(b) of this chapter, regardless of whether an institution is subject to § 360.10 of this chapter.

(4) *Material entity* has the same meaning as in § 360.10(b) of this chapter, regardless of whether an

institution is subject to § 360.10 of this chapter.

(5) *Resolution readiness adjustment* means the sum of the virtual data room adjustment and the data access adjustment.

(6) *Virtual data room* means an online repository where information pertinent to a sale or disposition of an institution is maintained in a secure and confidential manner to facilitate, whether by the institution or the FDIC, such sale or disposition to one or more third-party acquirers.

(7) *Virtual data room adjustment* means a 0.5 basis point downward adjustment applied to a large or highly complex institution's initial base assessment rate.

(c) *Resolution readiness adjustment.* The FDIC will apply an adjustment to a large or highly complex institution's initial base assessment rate under § 327.10 as provided in this section.

(d) *Electing to participate in resolution readiness adjustment.*

(1) A large or highly complex institution may submit to the FDIC a notice of election to participate in the resolution readiness adjustment. In the notice, an institution may elect to participate in the virtual data room component by providing the information described in paragraph (d)(2)(i) of this section, the data access component by providing the information described in paragraph (d)(2)(ii) of this section, or both. An institution may submit a notice for each component at different times.

(2) A notice of election must contain the following:

(i) To elect the virtual data room component:

(A) Electing institution's name, charter/certificate number, and mailing address;

(B) Contact person including name, title, employer, mailing address, email address, and telephone number;

(C) Agreement that the institution will participate in a test of the institution's capabilities to populate a virtual data room as provided by paragraph (e)(2) of this section;

(D) Acknowledgment that any costs required to obtain needed data, information, and other materials to participate in the test under paragraph (e)(2) of this section and to provide and facilitate access to data, documents, and other materials specified by paragraph (e)(1) of this section will be borne by the institution; and

(E) A list of key personnel (including those employed by third parties) needed to support the institution's efforts to participate in a test of its capabilities to populate a virtual data room as

provided by paragraph (e)(2) of this section.

(ii) To elect the data access component:

(A) Agreement to provide and facilitate access to data, documents, and other materials specified in paragraph (f)(1) of this section, including that the institution authorizes the FDIC to communicate with and request such data, information, and other materials from third-party vendors;

(B) Acknowledgment that any costs required to obtain needed data, information, and other materials to participate in the engagement under paragraph (f)(2) of this section and to provide and facilitate access to data, documents, and other materials specified by paragraph (f)(1) of this section will be borne by the institution;

(C) Certification that the institution may be liable for an assessment reimbursement under paragraph (f)(4) of this section;

(D) A complete list of all systems and applications maintained by the institution that serve as core data processors for deposit and loan data and the institution's general ledger;

(E) A complete list of all systems and applications maintained by third-party vendors that serve as core data processors for deposit and loan data and the institution's general ledger; and

(F) A list of key personnel (including those employed by third-party vendors) needed to support and operate each system and application identified pursuant to paragraphs (d)(2)(ii)(D) and (E) of this section identified by name, title, employer, telephone number, and email address.

(3) *Timing of election and effect of electing to participate in data access component.*

(i) An institution that submits a notice of election for the data access component within 30 days of [the effective date of rule], will receive the data access adjustment beginning the next quarterly assessment period.

(ii) An institution that is a large or highly complex institution on [the effective date of rule] but does not submit a notice of election for the data access component within 30 days of [the effective date of rule] may submit a notice within [four years of the effective date of rule] and will receive the data access adjustment beginning two quarterly assessment periods after submission.

(iii) An institution that becomes a large or highly complex institution after [the effective date of rule] that submits a notice of election for the data access component will receive the data access adjustment beginning the quarterly

assessment period after submitting the notice of election.

(iv) An institution that is large or highly complex as of [the effective date of the rule] that submits a notice of election for the data access component after the date that is four years after [the effective date of the rule] will receive the data access adjustment beginning the quarterly assessment period after submitting a notice of election.

(v) If the notice of election for the data access component is materially inaccurate or the institution fails to provide to the FDIC information required under paragraph (d)(2)(ii) of this section, the FDIC may provide notice to the institution that it is no longer eligible for the data access adjustment and that the adjustment will be removed the next quarterly assessment period and the institution would be subject to reimbursement under paragraph (f)(4) of this section. To resume eligibility for the data access adjustment, the institution must submit another notice of election pursuant to paragraph (d)(2)(ii) of this section.

(4) *Timing of election to participate in virtual data room component.*

(i) An institution that submits a notice of election for the virtual data room component within 30 days of [the effective date of rule] will have the opportunity to participate in the virtual data room capabilities test within one year, as described in paragraph (e) of this section.

(ii) An institution that submits a notice of election for the virtual data room component more than 30 days after [the effective date of the rule] will not be able to participate in the virtual data room test until all institutions that submitted a notice within that 30 day period have been given the opportunity to participate in the virtual data room capabilities test.

(e) *Virtual data room capabilities test.*

(1) *Testing component: required data, documents, and other material.* After submitting its notice of election pursuant to paragraph (d)(2)(i) of this section, the institution must demonstrate its ability to populate a virtual data room with the following:

(i) Key financial information, including balance sheet (both consolidated and unconsolidated), income statement, annual and interim financial statements, general ledger, and other relevant financial information;

(ii) Deposit data and information, including deposit tapes and data dictionary, and a report regarding key depositors;

(iii) Loan and lending operations information, including loan tapes and data dictionary;

(iv) A sample of imaged loan files sufficient for a potential bidder to conduct due diligence to inform a potential bid;

(v) Securities and investment portfolio information, including securities tapes and data dictionary;

(vi) A corporate organizational chart showing all material entities, as well as a description of each material entity's operations and role within the institution's operations, and licensing and regulatory information for each material entity;

(vii) A list of key personnel identified by title, function, physical location, employing legal entity, and business line or business segment the individual supports, and if an individual is dual hatted;

(viii) A list of material third-party contracts and a description of what services or business lines each contract supports;

(ix) Recent internal risk management reports, including assessments concerning key financial and regulatory risks; and

(x) Other information that the institution believes is necessary to facilitate a rapid and effective due diligence process for the sale of the institution, as well as data or information requested by the FDIC in a notice described in paragraph (e)(2) of this section.

(2) *Testing component: process.*

(i) After an institution submits a notice of election pursuant to paragraph (d)(2)(i) of this section, the FDIC will notify the institution when the institution will participate in a test of its capabilities to populate a virtual data room hosted by the FDIC with data, information, and other materials specified by paragraph (e)(1) of this section. The FDIC may notify the institution that it need not populate a data room with certain data, information, or other materials specified by paragraph (e)(1) of this section.

(ii) The FDIC will provide written notice of an institution's date for a virtual data room capabilities test no less than four weeks before the test date. Upon providing such written notice, the FDIC can adjust the test date to a date that provides the institution a reasonable amount of notice.

(3) *Testing component: evaluation criteria and notice of test results.*

(i) The institution will be deemed to have demonstrated its capabilities to populate a virtual data room if:

(A) All data, information, and other materials specified by paragraph (e)(1) of this section are uploaded to the virtual data room specified by the FDIC

no later than 48 hours after the test begins;

(B) The FDIC, after conducting a review and examination of the virtual data room, determines that the data, information, and other materials uploaded are sufficient for a potential bidder to conduct adequate due diligence to inform a potential bid. Among other things, the financial information in materials specified in paragraph (e)(1)(i) of this section should be reconcilable against the general ledger; and

(C) The institution provides the FDIC such information and access to such personnel of the institution as the FDIC in its sole discretion determines is relevant to properly evaluate the data, information, and other materials uploaded to the virtual data room specified by the FDIC, if needed.

(ii) Within an amount of time determined by the FDIC to be commensurate with the nature of the data, information, and other materials provided pursuant to paragraph (e)(1) of this section, the FDIC will notify the institution in writing concerning the results of the test. Such notice will:

(A) State that the institution has demonstrated its capabilities to populate a virtual data room; or

(B) State the institution is presently ineligible for the virtual data room adjustment, and that to be eligible for the virtual data room adjustment the institution must participate in another test at a future date to be determined by the FDIC pursuant to paragraph (e)(2) of this section.

(4) *Effect of FDIC notifying an institution it has demonstrated its readiness to populate a virtual data room on virtual data room adjustment.* After receiving written notice pursuant to paragraph (e)(3)(ii)(A) of this section stating that the institution demonstrated its capabilities to populate a virtual data room:

(i) *Application of virtual data room adjustment.* The FDIC will apply the virtual data room adjustment beginning the next quarterly assessment period after the institution receives written notice under paragraph (e)(3)(ii)(A) of this section, but in no event will the FDIC apply the virtual data room adjustment earlier than the end of the 12 month period following the [effective date of this section].

(ii) *Retesting.* The institution will be subject to periodic retesting by the FDIC of the institution's capabilities to populate a virtual data room with data, information, and other materials specified by paragraph (e)(1) of this section. The processes in paragraphs (e)(2) and (3) of this section will apply

to such retesting. Retesting following a successful test will occur every three years, unless the institution experiences a material change that could impact its ability to populate a data room, such as undergoing a merger, which may result in retesting sooner, or unless the FDIC extends the timeframe at its discretion. If the institution declines to participate in retesting, the virtual data room adjustment will be removed the next quarterly assessment period.

(f) *Data access capabilities.*

(1) *Required data access.* After submitting its notice of election pursuant to paragraph (d)(2)(ii) of this section, the institution must provide, or facilitate the provision to the FDIC of, the following:

(i) The institution's consolidated and unconsolidated ledger;

(ii) Core data regarding the institution's deposit portfolio, including:

(A) Depositor and beneficiary information;

(B) Deposit account title;

(C) Deposit account type;

(D) Deposit account balances, including principal and accrued interest;

(E) Deposit account status;

(F) Deposit account rate terms; and

(G) Any other information about material characteristics of deposits;

(iii) Core data concerning the institution's loan portfolio, including:

(A) Borrower, co-borrower, and guarantor information;

(B) Loan balances, including charge offs;

(C) Participation information;

(D) Loan status;

(E) Loan terms;

(F) Loan type;

(G) Collateral associated with each loan; and

(H) Any other information about material characteristics of loans; and

(iv) A list of key personnel (including those employed by third-party vendors) needed to support and operate each system and application used to produce data, information, and other materials provided pursuant to paragraph (f)(1)(i) through (iii) of this section identified by name, title, employer, telephone number, and email address.

(2) *Data access engagement.*

(i) After receiving an institution's notice of election pursuant to paragraph (d)(2)(ii) of this section, the FDIC will notify the institution in writing when the institution will begin engaging with the FDIC to provide or make available to the FDIC the data, information, and other materials specified by paragraph (f)(1) of this section. The FDIC will provide such written notice no less than

four weeks before the beginning of the engagement. Upon providing such written notice, the FDIC can adjust the beginning of the engagement to a date that provides the institution a reasonable amount of notice.

(ii) During the engagement specified in this paragraph (f)(2), the institution will provide or facilitate the provision to the FDIC the data, documents, and other information specified in paragraph (f)(1) of this section. Failure to provide such data, documents, and other information may result in the FDIC notifying the institution that it is no longer eligible for the data access adjustment, that the adjustment will be removed the next quarterly assessment period, and that the institution will be subject to reimbursement under paragraph (f)(4) of this section.

(iii) During the engagement specified in this paragraph (f)(2), the institution will provide the FDIC such information and access to such personnel of the institution and any third-party vendor as the FDIC in its discretion determines is relevant to properly evaluate the data, information, and other materials specified in paragraph (f)(1) of this section. Failure to provide such information and access to personnel may result in the FDIC notifying the institution that it is no longer eligible for the data access adjustment, that the adjustment will be removed the next quarterly assessment period, and that the institution will be subject to reimbursement under paragraph (f)(4) of this section.

(iv) The FDIC will provide the institution written notice upon completion of the engagement specified in this paragraph (f)(2).

(3) *Ongoing data access.* Upon an institution receiving written notice pursuant to paragraph (f)(2)(iv) of this section:

(i) *Notice of material change.* If an institution experiences a change in any internal data system or data service provider that would materially affect the institution's ability to provide or facilitate the provision of access to the FDIC of data, information, or other materials specified in paragraph (f)(1) of

this section, the institution must provide the FDIC a written notice of material change within 30 days. The notice of material change must explain the nature of the change, and how it affects the institution's ability to provide or facilitate the provision of access of such data, information, or other materials. If an institution does not submit a notice when required to under this paragraph, the FDIC may provide written notice that the institution is not eligible for the data access adjustment, that the adjustment will be removed the next quarterly assessment period, and that the institution is be liable for reimbursement pursuant to paragraph (f)(4) of this section if multiple quarterly assessment periods have elapsed since the material change occurred.

(ii) *Reengagement.* The institution will be subject to periodic reengagement with the FDIC to provide or facilitate the provision of access to data, information, and other materials specified in paragraph (f)(1) of this section. The processes in paragraph (f)(2) of this section will apply to such reengagement. Reengagement will occur every seven years, unless there is a material change, which may result in reengagement occurring sooner, or unless the FDIC extends the timeline at its discretion. If the institution declines to participate in reengagement, the data access adjustment will be removed the next quarterly assessment period.

(4) *Assessments reimbursement for receiving data access adjustment without providing data access.* If the FDIC has applied the data access adjustment to an institution that subsequently receives notice under paragraph (d)(3)(v) of this section or paragraphs (f)(2)(ii), (f)(2)(iii), or (f)(3)(i) of this section that it is required to provide the FDIC reimbursement pursuant to this paragraph (f)(4), the institution will be required to provide reimbursement beginning the next quarterly assessment period. The FDIC will notify the institution, in writing, that it is subject to such reimbursement.

(i) *Reimbursement amount.* The reimbursement amount will be equal to

the difference of the total amount of quarterly assessments the institution would have paid without the data access adjustment for each quarter it received the adjustment and the total amount that it paid with the data access adjustment.

(ii) *Reimbursement period.* The reimbursement amount will be invoiced to the institution with the amount evenly divided across the next eight consecutive quarterly assessment periods following the written notice issued pursuant to this paragraph (f)(4).

(iii) *Invoicing and payment of reimbursement.* For each quarterly assessment period an institution is subject to the assessment reimbursement, the FDIC will advise the institution of the amount and calculation of the reimbursement at the same time as the institution's quarterly certified statement invoice under § 327.6. The institution will pay the reimbursement in compliance with and subject to the provisions of § 327.3. The payment due date will be the date provided in § 327.3(b)(2) for the institution's quarterly certified statement invoice for the calendar quarter in which the reimbursement is imposed.

(iv) *Not an underpayment.* An institution required to pay an assessment reimbursement under this paragraph (f)(4) is not considered to have made an underpayment of assessments in the quarters the institution received the data access adjustment.

Subpart B—[Removed and Reserved]

■ 10. Remove and reserve subpart B, consisting of §§ 327.30 through 327.36.

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Federal Deposit Insurance Corporation.

By order of the Board of Directors.

Dated at Washington, DC, on June 26, 2026.

Jennifer M. Jones,

Deputy Executive Secretary.

[FR Doc. 2026–13192 Filed 6–29–26; 8:45 am]

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