

Banking and Finance Law Daily Wrap Up, BANKING OPERATIONS—FDIC proposes slate of assessment regulation changes, (Jun. 26, 2026)

Banking and Finance Law Daily Wrap Up

By Jeff Williams

The agency said that the proposed modifications would ensure a “more durable deposit insurance assessment framework.”

The Federal Deposit Insurance Corporation Board of Directors has [approved](#) a [notice of proposed rulemaking](#) that would [revise](#) the FDIC’s assessment regulations for all FDIC-insured institutions, including by increasing the threshold used for determining whether a bank is small or large from \$10 billion to \$30 billion in assets and adjust the threshold for inflation every four years using an indexing methodology. Comments will be accepted on the proposed rule for 60 days after it is published in the Federal Register.

If adopted, the FDIC [said](#), the proposed rule would also “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 (RRA) to assessment rates for large and highly complex institutions, including 0.5 basis points for passing virtual data room (VDR) testing and 0.5 basis points for providing temporary access to certain service providers and internal systems”; and “remove obsolete provisions.”

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 [Deposit Insurance Fund] DIF in the event of the failure of a bank that successfully completes the VDR testing exercise and/or provides the prescribed data access,” the FDIC said.

The FDIC also noted that its staff created an [assessment rate calculator](#) on the agency’s website to enable institutions to estimate their assessment rate under the proposed changes.

In the proposed rulemaking, the FDIC said that the changes would “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,” the agency said.

The FDIC said that the current definitions of small and large institutions “use certain static, dollar-based thresholds, which have not been updated in 20 years.” Adjusting the thresholds on a set schedule would “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,” the agency said.

Absent implementing ongoing threshold adjustments, institutions would also become subject to additional assessment-related reporting requirements as they grow above the threshold, the FDIC stated. While that “may be justified in cases where asset growth reflects changes to actual size, risk profile, and complexity,” it would be “less appropriate to the extent that growth instead reflects inflation,” the agency said.

Periodically adjusting the thresholds “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,” the proposed rule said.

Chairman Hill statement. In a [statement](#), FDIC Chairman Travis Hill called the proposed rule the “first step in the process” for making adjustments to its assessments framework, pointing out in particular that the RRA's first component would be available for banks that can “demonstrate an ability to quickly populate a virtual data room (VDR).”

Hill highlighted that when Silicon Valley Bank failed, it was “unable to quickly populate a VDR with accurate and complete information, which impeded the ability of potential bidders to conduct due diligence. The inability to quickly provide quality information can result in worse bids and/or a longer process, which ultimately increases cost to the DIF.” In addition, he noted, the proposed rule would enable banks to elect to provide the FDIC with temporary access to data access to data from certain service providers and/or internal systems, which would “allow the FDIC to better understand the institution's key IT platforms and enable the FDIC to quickly plug in to the relevant systems upon failure to extract necessary information and data.”

[According](#) to prepared remarks at an FDIC board meeting, Comptroller of the Currency Jonathan Gould said he is “encouraged” by the FDIC's proposed rulemaking, calling it a “creative” proposal and saying that he expects the comment process to “be helpful in assessing how well this new idea would work in practice.”

Industry Associations react. The American Bankers Association (ABA) and the Independent Community Bankers of America (ICBA) both praised the FDIC for launching the proposed rulemaking.

“[W]e welcome the proposal to adjust the methodologies for deposit insurance assessments and ensure that they are indexed going forward,” ABA President and Chief Executive Officer Rob Nichold [said](#) in a press release.

Expressing ICBA's support for the proceeding, the group's president and CEO, Rebeca Romero Rainey, [said](#): “While we continue reviewing today's proposal, ICBA has long advocated reducing deposit insurance assessments for community banks when the Deposit Insurance Fund's reserve ratio reaches its 1.35% statutory minimum to ensure community banks do not bear the cost of the risk posed by too-big-to-fail institutions.”

Companies: American Bankers Association; Independent Community Bankers of America

RegulatoryActivity: BankingOperations DepositInsurance FinancialStability PrudentialRegulation

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