



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

Financial Institution Letter
FIL-92-2006
October 18, 2006

DEPOSIT INSURANCE ASSESSMENTS

Final Rule on Assessment Dividends

Summary: The FDIC Board of Directors has approved the attached final rule to implement Assessment Dividends, as required by the Federal Deposit Insurance Reform Act of 2005. The final rule takes effect on January 1, 2007.

Distribution:

All FDIC-Insured Institutions

Suggested Routing:

Chief Executive Officer
President
Chief Financial Officer

Related Topics:

FDIC Assessments Regulations, 12 CFR 327, Subpart A

FDIC Dividends Regulations, 12 CFR 327, Subpart C

Attachment:

Final Rule

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Note:

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Highlights:

The Reform Act generally requires that the FDIC pay dividends from the Deposit Insurance Fund (DIF) to insured institutions when the DIF reserve ratio at the end of a calendar year exceeds 1.35 percent.

The attached final rule:

- Establishes a temporary rule for payment of dividends from the DIF. The rule expires at the end of 2008.
- Indicates the FDIC's intention to undertake a second, more comprehensive rulemaking on dividends to explore alternative methods for distributing future dividends after the initial two-year period.

The FDIC considers it unlikely that the reserve ratio of the DIF will trigger a dividend before this temporary rule expires.