



ACT NOW TO COMMENT ON FDIC PREPAYMENT PLAN

While there are many options to replenishing the DIF, it is crystal clear that the banking profession must ultimately bear its cost. The FDIC has proposed a three-year prepayment option that appears to be the lowest cost and most politically viable option. It is an option that we can accept if the FDIC incorporates the following revisions into its final rule.

First, the FDIC should change the current assessment method which is based on domestic deposits to assets minus tier-one capital. Community banks, which pose much less risk to the DIF, should not be forced to shoulder a disproportionate share of the assessment. Instead, the large, too-big-to-fail institutions that participated in risky lending and investment practices that precipitated this financial crisis should be required to pay their fair share. Basing the first special assessment on assets minus tier-one capital saved the nation's community banks more than a billion dollars in FDIC premiums.

Further, the prepayment plan is predicated on a 5% annual increase in bank deposits. We believe that percentage is much too high and should be adjusted down. Finally, we are suggesting that refunds for overpayment to the DIF be made shortly after the end of the year when the overpayment was made and not after December 30, 2014 as the current plan proposes.

While CBAI and ICBA continue to contact the FDIC and press our position, we need Illinois community bankers to act now. Please [email](#) this customizable letter to the FDIC and urge them to incorporate our suggested revisions to the final rule.