

FDIC releases request for information on deposit data and deposit insurance reform

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FDIC seeks data for better evaluation of deposit stability.

The directors of the Federal Deposit Insurance Corporation (FDIC) have, in an increasingly rare unanimous vote, published a [request for information](#) (RFI) covering two topics:

- deposit characteristics that affect deposit stability and franchise value and whether data on such characteristics should be collected at greater levels of detail and granularity and/or more frequently; and
- the merits of the reform options presented in the FDIC’s May 2023 report on [Options for Deposit Insurance Reform](#) and the feasibility of reporting or developing new data to evaluate these options.

The scope of the RFI is focused on deposit data that is not currently collected in insured depository institution (IDI) reports of consolidated income and condition (Call Reports) or other regular reporting.

Why did the FDIC issue the RFI?

The information sought is intended to further a number of efforts:

- **Supervisory monitoring.** The RFI recognizes, based on the bank failures in spring 2023, that a bank’s funding base, in particular whether a bank has high concentrations of uninsured or other types of less stable deposits, is important to understanding the bank’s exposure to liquidity and interest rate risk. The Material Loss Reviews conducted following the 2023 failures, which are cited in the RFI, recommended enhanced monitoring of granular data on concentration and growth of uninsured deposits.¹
- **Receivership preparedness.** In the event of failure, the FDIC relies on IDI-generated data to calculate deposit insurance payouts and evaluate the costs of resolution strategies. More granular data could better facilitate these activities.
- **Deposit insurance pricing.** The FDIC adjusts the assessment used to fund the Deposit Insurance Fund (DIF) based on deposit risk to ensure the DIF has adequate reserves. Mis-calibration could lead to inadequate DIF reserves and/or potentially promote moral hazard if banks holding riskier deposits fail to fully internalize the costs of insuring their riskier activities. More information on the behavior of different types of deposits during stress could improve risk-based calibration of assessments.
- **Deposit insurance reform.** In its 2023 report the FDIC analyzed three options for deposit reform, without taking a view on which option was preferred. The costs and benefits of these options depend, in part, on the volume of deposits that would be newly insured and the volume remaining uninsured. The RFI requests comments generally on the merits of the options and specifically on how business payment accounts, a key candidate for expanded coverage, could be defined or measured.
- **Furthering public research.** More granular or detailed data could enhance the transparency and usefulness of the data the FDIC provides to the general public.

What information on these topics do regulators already collect or have access to?

The banking regulators already collect or have access to data on the topics covered above through the sources listed below. As the RFI notes, in many cases this data is only collected for a subset of IDIs with limited granularity or frequency. Commenters, however, may want to point out areas where existing data is likely sufficient to accomplish the FDIC's goals. All of the sources listed below, other than resolution plans, were called out in the RFI. Note that some of these sources are collected by the Federal Reserve rather than the FDIC.

- **Call Reports.** Every national bank, state member bank, insured state nonmember bank, and savings association is required to file a quarterly Call Report.² In general, Call Reports do not collect comprehensive information on uninsured deposits, though they do collect the number and amount of deposit accounts exceeding the deposit insurance limit, and institutions with \$1 billion or more in assets are required to report an estimate of total uninsured deposits. Call Reports also do not collect a comprehensive breakdown of uninsured deposits by type, though they do collect quarterly information on the amount of uninsured deposits for certain sub-categories of deposits such as sweep deposits and annual information on preferred deposits.³
- **The Summary of Deposits (SOD) annual survey.** The SOD collects information on the balance of deposits as of June 30 at each domestic branch of all FDIC-insured institutions.⁴ Institutions with only a main office do not complete the survey, rather the FDIC pulls in their deposit information from June Call Reports.⁵ The SOD provides granular geographic data on deposit distribution but such data may be noisy given different procedures across institutions for allocating deposits to branches.
- **IDI resolution plans.** The FDIC has historically required IDI resolution plans to contain a discussion of overall deposit activities. The required content of this discussion was expanded in the FDIC's 2024 IDI Rule (discussed in our recent [client update](#)) to include a description of uninsured deposits and particular concentrations of deposits.⁶ The discussion should also note how any types or groups of deposits are related to a core business line or segment. Only IDIs with at least \$50 billion in assets are required to submit this information under the 2024 rule.⁷
- **Deposit records capability.** 12 C.F.R. Part 370 requires IDIs with 2 million or more depositor accounts to maintain records and have information technology systems sufficient to calculate the deposit insurance coverage for each deposit account at the IDI in case the IDI were to fail.⁸ Part 370 does not itself create any reporting obligations, but the FDIC could rely on Part 370 capabilities for information in resolution. The RFI notes that some IDIs do not use their Part 370 capabilities in generating data for Call Reports or regular operations.
- **Complex Institution Liquidity Monitoring Report (FR 2052a).** Domestic bank holding companies and savings and loan holding companies with \$100 billion or more in total consolidated assets and foreign banking organizations with U.S. assets of \$100 billion or more file the FR 2052a.⁹ Global Systemically Important Bank (G-SIB) holding companies as well as U.S. or foreign firms subject to Category II standards under the Federal Reserve's tailoring rules or subject to Category III standards and that have more than \$75 billion in short-term wholesale funding file the FR 2052a each business day. Other covered firms file monthly. The FR 2052a collects data on the balance of insured versus uninsured deposits for reporting entities. It also collects granular data on the type of counterparty making the deposit and distinguishes between stable and less stable affiliated sweep balances. U.S. firms subject to Category IV standards file the FR 2052a but are not required to report material subsidiaries individually, which potentially limits the usefulness of the FR 2052a in analyzing IDI-level trends.
- **Report of Deposits and Vault Cash (FR 2900).** Depository institutions (other than banking Edge and agreement corporations, U.S. branches and agencies of foreign banks, bankers' banks, and corporate credit unions) with gross liquid and small time deposits exceeding an annually-set threshold file the FR 2900 weekly.¹⁰ The FR 2900 collects data on daily liquid deposits, small time deposits with balances less than \$100,000 and vault cash. It does not distinguish by insurance status.
- **Systemic Risk Report (FR Y-15).** The top-tier holding company of each U.S. bank holding company and covered savings and loan holding company with total consolidated assets of \$100 billion or more, foreign banking organization with combined U.S. assets of \$100 billion or more, including, if applicable, any U.S. intermediate holding company, and G-SIB files the FR Y-15 each quarter.¹¹ The FR Y-15 collects data related to the systemic risk of these institutions, including data that may be relevant to funding stability such as the amount of deposits due to other financial institutions and retail brokered deposits and sweeps (broken out by maturity). Because this data is only collected at the top-tier holding company level it may not be as helpful in pursuing the FDIC's objectives.
- **Weekly Report of Selected Assets and Liabilities of Domestically Chartered Commercial Banks and U.S. Branches and Agencies of Foreign Banks (FR 2644).** The FR 2644 is a weekly voluntary survey of a sample of approximately 850 member and nonmember domestically chartered commercial banks and U.S. branches and

agencies of foreign banks.¹² It collects, among other items, the amount of time deposits of \$100,000 or more and total deposits as of each reporting period.

What is the RFI asking for?

The requests for comment in the RFI fall into two broad categories—those that could be used in carrying out the FDIC's current activities and those that could inform the policy debate on deposit insurance reform.

Information for use in current activities

The first category of questions in the RFI is geared towards understanding the data currently collected by IDIs internally and what data related to deposit stability and franchise value could be added to Call Reports or other reporting. The RFI indicates that this information could be used to inform or improve how the FDIC carries out its current activities related to supervision, receivership, deposit insurance pricing and providing public data, but the RFI does not rule out other uses.

At a high level, the requests for comment can be summarized as follows:

- **How do banks currently measure the stability of different deposit types?** (Question 1)
 - The RFI asks about how banks track and evaluate a number of deposit characteristics, which may indicate factors the FDIC views as most relevant to deposit stability. These include depositor type, depositor proximity, duration, rates, collateralization, intercompany deposit status and operational versus non-operational status.
 - The RFI also inquires into how well banks' internal deposit stability evaluations align with and/or rely on data reported to the FDIC, perhaps suggesting an openness to identifying synergies between reporting and risk-evaluation data needs.
- **What challenges do banks face in reporting estimates of uninsured deposits on Call Reports and how could other existing capabilities be used to produce such estimates?** (Questions 2 and 3)
 - The RFI asks specifically for information about challenges in estimating uninsured deposits for omnibus and other accounts containing deposits owned by multiple parties.
 - The RFI observes that some banks do not use their Part 370-mandated capabilities for calculating deposit insurance amounts in estimating uninsured deposits for Call Reports. It inquires as to the reasons for this and any differences in Part 370 versus other estimation methods. To the extent Call Report items or Part 370 processes are burdensome or redundant for banks, commenters may wish to highlight possible improvements.
- **What information on other types of deposits not already reported do banks collect internally?** (Question 4)
 - The RFI asks whether any data not already collected relevant to liability structure, risk and funding stability could be provided with little or no burden.
 - The RFI specifically asks about information related to foreign deposits and whether such deposits are dually payable.
- **What additional items, or more granular or frequently reported items, should the FDIC or other agencies consider collecting related to deposit behavior?** (Questions 5.a-5.c)
 - The RFI discusses similar categories of data to those discussed under Question 1.
 - The RFI also discusses concentrations of deposits by various factors and whether additional data collection should be contingent on asset or other thresholds. We note that the FDIC's 2024 IDI Rule already requires IDIs with \$50 billion or more in total consolidated assets to provide discussion of concentrations for certain depositor types, albeit in an unstructured format.
- **Whether any additional or more granular data should be afforded confidential treatment?** (Question 5.d) We note that much of the detailed or granular data currently collected, such as the liquidity-related microdata in the FR 2052a and the non-public sections of IDI resolution plans, is kept confidential. Presumably, a compelling reason would be needed to deviate from this practice.
- **Whether efforts should be made to improve consistency and reduce burdens across reporting forms?** (Questions 5.e-5.f)

- The RFI suggests the possibility of stopping collection of less useful or overly burdensome items if additional information is collected.
- The RFI also inquires as to the value of standardizing reporting definitions between Call Reports and other data collections.

Information and comments to inform the deposit insurance reform debate

The second category of questions in the RFI is intended to inform deposit insurance reform. Changes to deposit insurance coverage would require Congressional action, so this information is less likely to be currently actionable by the FDIC, though it could provide context for some of the items discussed above. At a high level, the second category requests comment on:

- **The pros and cons of the three options for reform presented in the FDIC’s May 2023 report.** (Question 6)
- **What types of deposits should be included if Congress pursued a targeted expansion of deposit insurance coverage?** (Question 7)
- **How should business payment accounts be defined if Congress chose to pursue expanded coverage for such accounts?** (Questions 8-9).
 - In its May 2023 report, the FDIC identified disruptions in business payment accounts as an important concern because of the ability to spread the impacts of failure to employees or vendors who would otherwise not be directly exposed.¹³ However, it acknowledged difficulties in identifying such accounts.
 - The RFI requests input on defining features of business payment accounts account and whether such accounts should be limited to payroll accounts. It also seeks input on the challenges associated with providing new deposit data items linked to payroll, vendors or operations.
 - Acting Comptroller Hsu emphasized the importance of developing a business payment account definition in his remarks in favor of the RFI.

Takeaways for impacted institutions

The request for information will be open for comment for 60 days after publication in the Federal Register. Comment is open to all interested parties and Chair Gruenberg stressed in his remarks prior to adoption of the RFI that comments were sought from a broad set of impacted entities, such as businesses with payment accounts, not just banks.

As interested parties consider the implications of the RFI, they should keep the following in mind:

- **The RFI will not directly result in any change in law or reporting.** Any updates to reporting requirements would require further action by the FDIC, and in some cases coordination with other agencies. Changes to deposit insurance coverage will require legislation.
- **The information sought covers issues affecting diverse stakeholders. Coordinated responses may be helpful.** Banks and their customers will have different expertise and knowledge to share regarding the expansion of deposit insurance coverage to business payment accounts. Similarly, broker dealers with sweep programs may focus on complementary but different considerations than bank recipients of sweep deposits.
- **Information gaps may be more prevalent for smaller, less-resourced banks.** As discussed above, larger banks already submit significant information relevant to the objectives mentioned in the RFI. The cost-benefit analysis of closing additional data gaps may be complex given such gaps are likely most prevalent for banks with more limited resources.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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- ¹ See Material Loss Review of Silicon Valley Bank, Office of the Inspector General of the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau, 2023-SR-B-013, September 25, 2023, available at <https://oig.federalreserve.gov/reports/board-material-loss-review-silicon-valley-bank-sep2023.pdf>; Material Loss Review of Signature Bank of New York, Office of the Inspector General of the Federal Deposit Insurance Corporation, EVAL-24-02, October 2023, available at <https://www.fdicioig.gov/sites/default/files/reports/2023-12/EVAL-24-02.pdf>; Material Loss Review of First Republic Bank, Office of the Inspector General of the Federal Deposit Insurance Corporation, EVAL-24-03, November 2023, available at <https://www.fdicioig.gov/sites/default/files/reports/2023-12/EVAL-24-03.pdf>.
- ² FFIEC, Instructions for Preparation of Consolidated Reports of Condition and Income: FFIEC 031 and 041 (March 2023).
- ³ Institutions with domestic offices only, that have total assets less than \$5 billion and that are not subject to certain regulatory capital standards or considered large or highly complex institutions for deposit insurance assessment purposes may file an abbreviated FFIEC 051 Call Report that requires, among other things, certain sweep deposit information to be reported less frequently than for institutions not eligible for the FFIEC 051. See FFIEC, Instructions for Preparation of Consolidated Reports of Condition and Income: FFIEC 051 (March 2023).
- ⁴ FDIC, Summary of Deposits Reporting Instructions (June 30, 2024).
- ⁵ See FDIC, FIL-31-2024, Summary of Deposits Survey and Filing for June 30, 2024.
- ⁶ Resolution Plans Required for Insured Depository Institutions With \$100 Billion or More in Total Assets; Informational Filings Required for Insured Depository Institutions With at Least \$50 Billion but Less Than \$100 Billion in Total Assets, 89 Fed. Reg. 56620, 56630 (Jul. 9, 2024).

- ⁷ *Id.* Depending on the size, IDIs will be required to submit a full discussion of deposit activities every other or every third year. In off years an interim supplement will be required containing most of the information in the full discussion of deposit activities but excluding certain descriptions of IDI approaches and capabilities in developing the relevant deposit data.
- ⁸ 12 C.F.R. § 370.3.
- ⁹ Board of Governors of the Federal Reserve System, Reporting Forms: FR 2052a, available at https://www.federalreserve.gov/apps/reportingforms/Report/Index/FR_2052a.
- ¹⁰ See Board of Governors of the Federal Reserve System, Reporting Forms: FR 2900 (Commercial Banks), available at [https://www.federalreserve.gov/apps/reportingforms/Report/Index/FR_2900_\(Commercial_Banks\)](https://www.federalreserve.gov/apps/reportingforms/Report/Index/FR_2900_(Commercial_Banks)).
- ¹¹ See Board of Governors of the Federal Reserve System, Reporting Forms: FR Y-15, available at https://www.federalreserve.gov/apps/reportingforms/Report/Index/FR_Y-15.
- ¹² See Board of Governors of the Federal Reserve System, Reporting Forms: FR 2644, available at https://www.federalreserve.gov/apps/reportingforms/Report/Index/FR_2644.
- ¹³ FDIC, Options for Deposit Insurance Reform, at 26 (May 2023).