



Mutual Alert

Gruenberg: Deposit Insurance Reform Unlikely to Happen Soon

FDIC Chairman Martin Gruenberg has indicated that the agency is unlikely to pursue changes to deposit insurance policies anytime soon. In recent remarks given at the **International Association of Deposit Insurers 2023 Annual Conference** and **The 22nd Annual Bank Research Conference** Gruenberg said that interest in reform has waned in the months since the spring bank failures and that any changes would require congressional legislation.

Gruenberg's remarks did discuss potential options for deposit insurance reform, outlined in a FDIC **report** released in May. The report evaluated three coverage options: Limited Coverage, which would maintain the current deposit structure; Unlimited Coverage, which would extend insurance coverage to all depositors; and Targeted Coverage, which would offer different coverage limits across account types, with higher or unlimited coverage for business payments accounts. Of the three, Targeted Coverage was found to be the most favorable, as the inability to access business payment accounts can have negative broad economic impacts.

The public shift in sentiment around insurance deposit reform comes shortly before the agency convenes with its Advisory Committee on Community Banking on Thursday, October 5. The meeting is open to the public and will be available via **webcast**. An agenda can be viewed **here**.

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