

FDIC Withdraws Proposed Rules Related to Brokered Deposits, Corporate Governance, the Change in Bank Control Act, and Incentive-Based Compensation Arrangements

Laws and Regulations

March 3, 2025

Summary:

The FDIC is withdrawing three proposed rules relating to brokered deposits, corporate governance, and the Change in Bank Control Act (CBCA). The FDIC is also withdrawing the authority previously approved by the FDIC Board of Directors to publish a proposed rule on incentive-based compensation arrangements.

Statement of Applicability: The contents of, and material referenced in, this FIL apply to all FDIC-insured financial institutions.

Highlights:

The FDIC is withdrawing the following proposed rules:

- **Unsafe and Unsound Banking Practices: Brokered Deposits Restrictions**

On August 23, 2024, the FDIC published a proposed rule to significantly revise its regulations in part 303 and 337 on brokered deposits. The proposal would have been a major undertaking that would significantly disrupt many aspects of the deposit landscape.

- **Guidelines Establishing Standards for Corporate Governance and Risk Management for Covered Institutions With Total Consolidated Assets of \$10 Billion or More Change in Bank Control Act Proposal**

On October 11, 2023, the FDIC published a proposed rule that would have established a number of prescriptive and process-oriented expectations for management and boards of directors of FDIC-supervised institutions with \$10 billion or more in total consolidated assets.

- **Regulations Implementing the Change in Bank Control Act**

On August 19, 2024, the FDIC published a proposed rule to amend part 303 of its filing requirements and processing procedures for notices filed under the CBCA. The proposal would have removed an exemption from the requirement to submit a notice to the FDIC for an acquisition of voting securities of a depository institution holding company for which the Federal Reserve reviews a CBCA notice.

The FDIC is also withdrawing the authority previously approved to publish in the Federal Register the following:

- **Incentive-Based Compensation Arrangements**

On May 3, 2024, the FDIC Board of Directors approved an issuance of a proposed rule to implement Section 956 of the Dodd-Frank Wall Street Reform and Consumer Protection Act regarding incentive-based compensation arrangements. The FDIC Board authorized publication of the proposal in the *Federal Register* if all six agencies statutorily required to issue the rule approved the proposal. This proposed rulemaking was not yet adopted by all agencies and has not been published in the *Federal Register*.

The FDIC is withdrawing these Notices of Proposed Rulemaking because it no longer intends to issue final rules with respect to these proposals. If the FDIC pursues regulatory action on these matters in the future, it will do so by publishing new proposed rules or other issuances consistent with the requirements of the Administrative Procedure Act.

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