



ICBA Principles for Deposit Insurance Reform

October 2025

Promote Depositor Confidence in Community Banks

- Promote depositor confidence in community banks and prevent deposit flight to Too-Big-To-Fail (TBTF) banks.

Curb TBTF

- Do not reinforce the implicit guarantee provided to TBTF.
- Do not allow voluntary programs that enable TBTF to circumvent or constructively opt-out of increased coverage and accompanying premiums.
- Require TBTF to pay systemic risk premiums to fund the DIF.

Control the Cost of Deposit Insurance for Community Banks

- Limit the FDIC's ability to increase deposit insurance premiums, either through base increases or special assessments, for community banks.
- Avoid procyclical increases to deposit insurance assessments.
- Provide consistent and predictable assessments for community banks, especially during times of non-stress, to ensure the DIF is healthy during times of stress.
- Do not adopt reformed coverage amounts that require frequent adjustments (such as indexing to inflation) or result in overly complicated numbers (e.g. \$346,379 of coverage) that are difficult to communicate to customers.

Provide Increased Coverage for Uninsured Deposits

- Minimize outcomes where there are winners and losers among depositors or among community banks.
- Do not make some types of transaction account deposits less desirable than others, especially after Congress mandated the repeal of Regulation Q and removed the prohibition on payment of interest on demand deposits.¹
- Protect, at the very least, transaction accounts for small businesses, municipalities, and nonprofit organizations.
- Ensure reforms are simple for community banks to implement and the FDIC to administer.

Expand the FDIC's Ability to Protect Community Banks and Their Customers During Crisis

- Provide the FDIC unencumbered authority to establish deposit insurance programs to provide stability during times of crisis.
- Promote changes to the least cost resolution framework to allow the FDIC to select bids that protect all depositors, including the uninsured depositors at community banks.

Protect the Bank Funded DIF for Bank Resolutions

- Ensure that the bank funded DIF not be used to bail out or protect nonbanks

¹ 76 Fed.Reg. 42015 (July 18, 2011)