

FDIC Issues Reminder to Banks on Reporting of Uninsured Deposits

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The Federal Deposit Insurance Corporation (“FDIC”) issued a [Financial Institution Letter](#) (“FIL”) earlier this week regarding banks’ errors in reporting estimated uninsured deposits.

The FDIC stated in the FIL that “some institutions incorrectly reduced the amount reported to the extent that the uninsured deposits are collateralized by pledged assets; this is incorrect because in and of itself, the existence of collateral has no bearing on the portion of a deposit that is covered by federal deposit insurance. Additionally, some institutions incorrectly reduced the amount reported on Schedule RC-O by excluding intercompany deposit balances of subsidiaries.” [The Wall Street Journal](#) characterized the FIL as a “scold” to banks that had underreported uninsured balances.

Given the large amount of uninsured deposits that played a role in the [failures](#) of Silicon Valley Bank and Signature Bank in March, the FDIC appears to be paying particularly close attention to this information in banks’ call report submissions. The FIL and the underlying provisions of the Call Report apply to insured depository institutions with \$1 billion or more in assets.

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