



FDIC Deposit Insurance Fund

The Federal Deposit Insurance Corporation (FDIC) manages the Deposit Insurance Fund (DIF), which insures deposits, protects the depositors of failed banking institutions, and resolves failed banks. The DIF is funded through two sources: risk-based premiums (assessments) on member institutions and interest credited to the fund. The DIF is reduced by payments to cover losses resulting from the resolution of failed banks and costs for the FDIC's operating expenses. The FDIC acts as the receiver in the event of an insured bank's failure.

If the DIF requires additional funding, the FDIC has borrowing authority of \$100 billion from the Department of the Treasury and a note purchase agreement with the Federal Financing Bank (FFB). The FFB was created in 1973 to reduce the costs of certain federal and federally assisted borrowing and to coordinate such borrowing from the public to reduce disruptions to private financial markets and institutions.

In keeping with the Balanced Budget and Emergency Deficit Control Act of 1985, disbursements from the FFB for obligations guaranteed by a federal agency are treated as a means of financing for that agency. Agency-guaranteed transactions are recorded as outlays in the agency account that otherwise would be liable for payments to the FFB in the event of a default on a loan made or purchased by the FFB.

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	Actual, 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025- 2029	2025- 2034	2023- 2034
BUDGET INFORMATION															
Millions of dollars, by fiscal year															
Estimated Outlays	91,756	46,502	-18,621	-28,797	-28,858	-95,861	-11,818	-12,462	-13,029	-13,921	-23,065	-15,493	-183,955	-261,925	-123,667
Components of the Program															
Federal Financing Bank Transactions ^a	50,000	43,333	0	0	0	-85,000	0	0	0	0	-8,333	0	-85,000	-93,333	0
Systemic Risk Special Assessment ^b	0	-5,100	-10,200	-5,100	0	0	0	0	0	0	0	0	-15,300	-15,300	-20,400
Deposit Insurance Fund Outlays ^c	43,917	10,687	-5,880	-20,811	-25,471	-7,024	-7,680	-7,920	-8,031	-8,451	-8,820	-9,147	-66,866	-109,235	-54,631
Interest on U.S. Treasury Securities	-2,161	-2,418	-2,541	-2,886	-3,387	-3,837	-4,138	-4,542	-4,998	-5,470	-5,912	-6,346	-16,789	-44,057	-48,636

DIF = Deposit Insurance Fund; FDIC = Federal Deposit Insurance Corporation; FFB = Federal Financing Bank.

- a. As part of the ongoing resolution of bank failures in the spring of 2023, in 2023 and 2024 the FDIC sold five notes to the FFB totaling \$93.3 billion. In its corporate capacity, the FDIC guarantees the timely payment of the principal and interest due on those notes. Disbursements from the FFB for FDIC-guaranteed obligations are treated as a means of financing for the FDIC and are recorded as outlays in the FDIC account that would otherwise be liable for payments to the FFB in the event of a default on a loan made or purchased by the FFB. The FDIC estimates that no default claim will occur under the guarantee. CBO's baseline reflects the repayment of the principal amounts of the FFB financing transactions as offsetting collections (that is, as negative outlays) in the DIF when the notes mature in 2028 or 2033. For more information, see Office of Management and Budget, Appendix: Budget of the U.S. Government, Fiscal Year 2025 (March 2024), "Federal Financing Bank," p. 988, and "Federal Deposit Insurance Corporation," p. 1222, www.whitehouse.gov/omb/budget/appendix.
- b. In November 2023, the FDIC published a final rule to implement a special assessment to recover the losses to the DIF that resulted from covering uninsured depositors after the closures of Silicon Valley Bank and Signature Bank. The Federal Deposit Insurance Act requires that any losses attributable to the use of the systemic risk exception must be recovered by a special assessment. The FDIC estimates that \$20.4 billion of the total estimated cost of the failures is attributable to the protection of uninsured depositors and will be collected over eight quarterly assessment periods. See Federal Deposit Insurance Corporation, "Special Assessment Pursuant to Systemic Risk Determination," Final Rule, 88 *Fed. Reg.* 83329 (November 29, 2023), <https://tinyurl.com/39xhtw6t>.
- c. Deposit Insurance Fund Outlays includes assessments, recoveries, losses, and operating expenses.