FDIC Deposit Insurance Fund

The Federal Deposit Insurance Corporation (FDIC) manages the Deposit Insurance Fund (DIF), which insures deposits 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 lends funds to other federal agencies. 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.

FDIC Deposit Insurance Fund

	Actual, 2023	Actual, 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2026-2030	2026-2035	2023-2035
BUDGET INFORMATION																
Millions of dollars, by fiscal year																
Estimated Outlays	91,756	37,150	-24,136	-22,634	-19,019	-95,641	-11,573	-12,127	-12,692	-13,178	-22,337	-14,727	-15,480	**-160,994**	**-239,408**	**-134,638**
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	0	**-85,000**	**-93,333**	**0**
Deposit Insurance Fund Outlays[b]	43,917	-2,464	-22,511	-20,049	-15,870	-7,056	-7,674	-7,896	-8,113	-8,231	-8,666	-8,981	-9,316	**-58,545**	**-101,852**	**-82,910**
Interest on U.S. Treasury Securities	-2,161	-3,719	-1,625	-2,585	-3,149	-3,585	-3,899	-4,231	-4,579	-4,947	-5,338	-5,746	-6,164	**-17,449**	**-44,223**	**-51,728**

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; some in 2028 and the rest in 2033.

b. Deposit Insurance Fund Outlays includes assessments, recoveries, losses, and operating expenses. 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. As of September 30, 2024, the FDIC estimates that $18.9 billion of the total estimated cost of the failures is attributable to the protection of uninsured depositors and will be collected over 10 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