FDIC proposes to amend 12 CFR Part 327 as follows:

## PART 327—ASSESSMENTS

1. The authority citation for part 327 continues to read as follows:

Authority: 12 U.S.C. 1441, 1441b, 1817-1819

2. Section 327.3 is amended by revising paragraphs (c)(2), (e), and (f) and by adding paragraph (c)(3) to read as follows:

\*

## § 327.3 Payment of semiannual assessments.

- \*
- (c) \* \* \*
- (1) \* \* \*

(2) Payment date and manner. The Corporation will cause the amount stated in the applicable invoice to be directly debited on the following dates from the deposit account designated by the insured depository institution for that purpose:

(i) In the case of the first quarterly assessment payment for a semiannual period that begins on January 1, on the first business day of the semiannual period, except as provided in paragraph (c)(3) of this section; and

(ii) In the case of the first quarterly assessment payment for a se (3) semiannual period that begins on July 1, on the preceding June 30.

(3) Prepayments. (i) An insured depository institution may elect to prepay the first quarterly payment for a semiannual period that begins on January 1. An institution may elect to prepay either the amount of the first quarterly payment due for a semiannual period that begins on January 1, or twice that amount.

(ii) In order to elect the prepayment option with respect to a current semiannual period, an institution must so certify in writing to the Corporation no later than November 1 of the prior year. The prepayment certification shall be made on a pre-printed form provided by the Corporation. The form shall be signed by the institution's chief financial officer or such other officer as the institution's board of directors may designate for that purpose. The form shall be sent to the attention of the Chief of the Assessment Operations Section of the Corporation's Division of Finance. An institution may obtain the form from the Corporation's Division of Finance. The prepayment certification shall indicate whether the institution will prepay the first quarterly payment for the current semiannual period or twice that amount. The election shall be effective with respect to the current

semiannual period and thereafter, until terminated.

(iii) An insured depository institution may terminate its election of the prepayment option, and revert to the regular payment schedule. In order to terminate the election with respect to a current semiannual period, an institution must so certify in writing to the Corporation no later than November 1 of the prior year. The termination certification shall be made on a preprinted form provided by the Corporation. The form shall be signed by the institution's chief financial officer or such other officer as the institution's board of directors may designate for that purpose. The form shall be sent to the attention of the Chief of the Assessment Operations Section of the Corporation's Division of Finance. An institution may obtain the form from the Corporation's Division of Finance. The termination shall be permanent, except that an institution that has terminated an election may make a new election.

(iv) If an insured depository institution elects the prepayment option, the Corporation will cause the amount indicated in the prepayment certification to be directly debited on December 30 of the year prior to the current semiannual period from the deposit account designated by the insured depository institution for that purpose.

(e) Necessary action, sufficient funding by institution. Each insured depository institution shall take all actions necessary to allow the Corporation to debit assessments from the insured depository institution's designated deposit account and, prior to each payment date indicated in paragraphs (c)(2), (c)(3)(iv), and (d)(2) of this section, shall ensure that funds in an amount at least equal to the invoiced amount or, in the case of a prepayment pursuant to paragraph (c)(3)(iv) of this section, the amount indicated in the prepayment certification are available in the designated account for direct debit by the Corporation. Failure to take any such action or to provide such funding of the account shall be deemed to constitute nonpayment of the assessment.

(f) Business days. If a payment date specified in paragraph (c)(2)(ii), (c)(3)(iv), or (d)(2) of this section falls on a date that is not a business day, the applicable date shall be the previous business day.

\* 3. Section 327.7 is amended by revising paragraphs (a)(2), (a)(3), and (b)

\*

and adding paragraph (c) to read as follows:

## § 327.7 Payment of interest on assessment underpayments and overpayments.

(a) \* \* \*

(2) Payment by Corporation. (i) The Corporation will pay interest on any overpayment by the institution of its assessment.

(ii) An amount that an institution prepays on its assessment, whether in accordance with § 327.3(c) or otherwise, shall not be regarded as an overpayment of an assessment.

(3) Accrual of interest. Interest shall accrue under this section from the day following the regular collection date, as provided for in § 327.3 (c)(2) and (d)(2), of the quarterly assessment amount that was overpaid or underpaid, through the payment date applicable to the quarterly assessment invoice on which adjustment is made by the Corporation for the underpayment or overpayment, provided, however, that interest shall not begin to accrue on any overpayment until the day following the date such overpayment was received by the Corporation.

(b) Rates after December 31, 1995. On and after January 1, 1996-

(1) The interest rate for any calendar quarter will be the coupon equivalent yield of the average discount rate set on the 3-month Treasury bill at the last auction held by the United States Treasury Department prior to the commencement of the calendar quarter;

(2) The initial interest rate to be applied to an overpayment or underpayment of an amount due on a regularly scheduled collection date (whether or not prepaid) will be the interest rate for the calendar quarter following the last auction held by the United States Treasury Department immediately prior to that collection date; and

(3) The interest rate to be applied during any subsequent calendar quarter to the outstanding balance (including interest thereon) owed to or by the insured depository institution for assessments will be the interest rate for such calendar quarter and will begin on the first day of such calendar quarter.

(c) Rates prior to January 1, 1996. Through December 31, 1995-

(1) The interest rate will be the United States Treasury Department's current value of funds rate which is issued under the Treasury Fiscal Requirements Manual (TFRM rate) and published in the Federal Register;

(2) The interest will be calculated based on the rate issued under the TFRM for each applicable period and compounded annually;