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## Senate Votes to Increase Big Bank FDIC Payments

WASHINGTON—Senate lawmakers handed community banks another victory Thursday, passing an amendment to financial regulatory overhaul legislation that will shift the burden for deposit insurance to larger banks.

Lawmakers voted 98-0 in favor of an amendment that would change the way the Federal Deposit Insurance Corp. charges banks for government-backing of bank deposits. The agency would base a bank's fees on its total assets minus tangible equity, instead of the traditional practice of basing assessments on a bank's domestic deposits.

"We expect the change to force the mega banks to spend more for deposit insurance. In effect, the banks that rely the least on domestic deposits will pay higher rates," Jaret Seiberg, an analyst with Concept Capital, said in a note to clients Thursday.

Smaller banks have long pushed for the change, arguing that their larger rivals pay less than their share for the deposit insurance safety net. That argument has gained traction on Capitol Hill, where larger banks have been sharply criticized for their role in the financial crisis and community banks have been portrayed as victims of Wall Street excess.

Jim MacPhee, chairman of the Independent Community Bankers of America, said in a statement that if the Senate amendment becomes

law it would reduce the fees of 98% of the banks with less than \$10 billion in assets.

"This is a victory for community banks," Mr. MacPhee said.

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