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be regarded as an overpayment of an assessment.

(3) *Accrual of interest.* (i) Interest on an amount owed to or by the Corporation for the underpayment or overpayment of an assessment shall accrue interest at the relevant interest rate.

(ii) Interest on an amount specified in paragraph (a)(3)(i) of this section shall begin to accrue on the day following the regular payment date, as provided for in § 327.3(c)(2) and (d)(2), for the amount so overpaid or underpaid, 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. Interest shall continue to accrue through the date on which the overpayment or underpayment (together with any interest thereon) is discharged.

(iii) The relevant interest rate shall be redetermined for each quarterly assessment interval. A quarterly assessment interval begins on the day following a regular payment date, as specified in § 327.3(c)(2) and (d)(2), and ends on the immediately following regular payment date.

(b) *Rates after the first payment date in 1996.* (1) On and after January 3, 1996, the relevant interest rate for a quarterly assessment interval that includes the month of January, April, July, and October, respectively, is 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 during the preceding December, March, June, and September, respectively.

(2) The relevant interest rate for a quarterly assessment interval will apply to any amounts overpaid or underpaid on the payment date (whether regular or alternate) immediately prior to the beginning of the quarterly assessment interval. The relevant interest rate will also apply to any amounts owed for previous overpayments or underpayments (including any interest thereon) that remain outstanding, after any adjustments to such overpayments or underpayments have been made thereon, at the end of the regular payment date immediately prior to the beginning of the quarterly assessment interval.

(c) *Rates prior to the first payment date in 1996.* Through January 3, 1996:

(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;

(3) For the initial year, the rate will be applied to the gross amount of the underpayment or overpayment; and

(4) For each additional year or portion thereof, the rate will be applied to the net amount of the underpayment or overpayment after that amount has been reduced by the assessment credit, if any, for the year.

[54 FR 51374, Dec. 15, 1989, as amended at 57 FR 45286, Oct. 1, 1992; 58 FR 3069, Jan. 7, 1993; 59 FR 67164, Dec. 29, 1994; 60 FR 50409, Sept. 29, 1995]

§ 327.8 Definitions.

For the purposes of this part 327:

(a) *Unposted credits and debits*—(1) *Unposted credit.* The term *unposted credit* means any deposit received in any office of a depository institution for deposit in any other office of the depository institution located in any State of the United States, the District of Columbia, Puerto Rico, Guam, American Samoa, the Northern Marianas Islands, or the Virgin Islands, except those which have been:

(i) Included in the total deposits in the quarterly report of condition; or

(ii) Offset in the quarterly report of condition by an equal amount of cash items in the institution's possession drawn on itself (on the same type of deposits as those offset) and not charged against deposit liabilities at the close of business on the date of the quarterly report of condition.

(2) *Unposted debit.* The term *unposted debit* means a cash item in the reporting institution's possession that is drawn on the institution and immediately chargeable, but not yet charged, against the institution's deposit liabilities at the close of business on the date of the quarterly report of condition. The following items are excluded:

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(i) Cash items drawn on other depository institutions,

(ii) Overdrafts and nonsufficient fund (NSF) items,

(iii) Cash items returned unpaid to the last endorser for any reason, and

(iv) Drafts and warrants that are *payable at* or *payable through* the reporting institution for which there is no written authorization on file at the institution or State statute allowing the institution at its discretion to charge the items against the deposit accounts of the drawees.

(3) *Exclusion.* The above terms *unposted credit* and *unposted debit* do not include items which have been reflected in deposit accounts on the general ledger and in the quarterly report of condition, even though they have not been credited or debited to individual deposit accounts.

(b) *Deposits*—(1) *Deposit.* The term *deposit* has the meaning specified in section 3(1) of the Federal Deposit Insurance Act. In particular, the term *deposit* includes any liability—without regard for whether the liability is a liability of an insured bank or of an insured savings association—that is of a kind which, had the liability been a liability of an insured bank immediately prior to the effective date of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, would have constituted a deposit in such bank within the meaning of section 3(1) of the Federal Deposit Insurance Act as such section 3(1) was then in effect.

(2) *Demand deposits.* The term *demand deposits* refers to deposits specified in §329.1(b) of this chapter, except that any reference to *bank* in such section shall be deemed to refer to *depository institution*.

(3) *Time and savings deposits.* The term *time and savings deposits* refers to any deposits other than demand deposits.

(4) *Exception.* (i) Deposits accumulated for the payment of personal loans, which represent actual loan payments received by the depository institution from borrowers and accumulated by the depository institution in hypothecated deposit accounts for payment of the loans at maturity, shall not be reported as deposits on the quarterly report of condition. The deposit

amounts covered by the exception are to be deducted from the loan amounts for which these deposits have been accumulated and assigned or pledged to effectuate payment.

(ii) Time and savings deposits that are pledged as collateral to secure loans are not *deposits accumulated for the payment of personal loans* and are to be reported in the same manner as if they were not securing a loan.

(c) *Quarterly report of condition.* The term *quarterly report of condition* means a report required to be filed pursuant to section 7(a)(3) of the Federal Deposit Insurance Act.

(d) *Semiannual period*—(1) *In general.* The term *semiannual period* means a period beginning on January 1 of any calendar year and ending on June 30 of the same year, or a period beginning on July 1 of any calendar year and ending on December 31 of the same year.

(2) *Current semiannual period.* The term *current semiannual period* means, with respect to a certified statement or an assessment, the semiannual period within which such certified statement is required to be filed or for which such assessment is required to be paid.

(3) *Prior semiannual period.* The term *prior semiannual period* means, with respect to a certified statement or an assessment, the semiannual period immediately prior to the current semiannual period.

(e) *Newly insured institution.* The term *newly insured institution* means an institution that became an insured depository institution during the semiannual period immediately prior to the period for which the certified statement is required: *Provided,* That the term *newly insured institution* does not include any institution that became an insured depository institution as a result of the operation of section 4(a)(2) of the Federal Deposit Insurance Act.

(f) *BIF; BIF member*—(1) *BIF.* The term *BIF* means the Bank Insurance Fund.

(2) *BIF member* The term *BIF member* means a depository institution that is a member of the BIF.

(g) *SAIF; SAIF member.*—(1) *SAIF.* The term *SAIF* means the Savings Association Insurance Fund.

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(2) *SAIF member.* The term *SAIF member* means a depository institution that is a member of the SAIF.

(h) As used in § 327.6(a), the following terms are given the following meanings:

(1) *Surviving institution.* The term *surviving institution* means an insured depository institution that assumes some or all of the deposits of another insured depository institution in a terminating transfer.

(2) *Terminating institution.* The term *terminating institution* means an insured depository institution some or all of the deposits of which are assumed by another insured depository institution in a terminating transfer.

(3) *Terminating transfer.* The term *terminating transfer* means the assumption by one insured depository institution of another insured depository institution's liability for deposits, whether by way of merger, consolidation, or other statutory assumption, or pursuant to contract, when the terminating institution goes out of business or transfers all or substantially all its assets and liabilities to other institutions or otherwise ceases to be obliged to pay subsequent assessments by or at the end of the semiannual period during which such assumption of liability for deposits occurs. The term *terminating transfer* does not refer to the assumption of liability for deposits from the estate of a failed institution, or to a transaction in which the FDIC contributes its own resources in order to induce a surviving institution to assume liabilities of a terminating institution.

(i) [Reserved]

(j) *Primary fund.* The *primary fund* of an insured depository institution is the insurance fund of which the institution is a member.

(k) *Secondary fund.* The *secondary fund* of an insured depository institution is the insurance fund that is not the primary fund of the institution.

[54 FR 51374, Dec. 15, 1989, as amended at 59 FR 67164, Dec. 29, 1994; 60 FR 42741, Aug. 16, 1995; 61 FR 64983, Dec. 10, 1996; 61 FR 67696, Dec. 24, 1996; 62 FR 27176, May 19, 1997]

§ 327.9 Assessment schedules.

(a) *Base assessment schedules*—(1) *In general.* Subject to § 327.4(c) and subpart B of this part, the base annual assess-

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ment rate for an insured depository institution shall be the rate prescribed in the appropriate base assessment schedule set forth in paragraph (a)(2) of this section applicable to the assessment risk classification assigned by the Corporation under § 327.4(a) to that institution. Each base assessment schedule utilizes the group and subgroup designations specified in § 327.4(a). An institution shall pay assessments at the rate specified in the appropriate base assessment schedule except as provided in paragraph (b) of this section.

(2) *Assessment schedules*—(i) *Base rates for BIF members.* The following base assessment schedule applies with respect to assessments paid to the BIF by BIF members and by other institutions that are required to make payments to the BIF pursuant to subpart B of this part:

BIF BASE ASSESSMENT SCHEDULE

Capital group	Supervisory subgroup		
	A	B	C
1	4	7	21
2	7	14	28
3	14	28	31

(ii) *Base rates for SAIF members.* The following base assessment schedule applies with respect to assessments paid to the SAIF by SAIF members and by other institutions that are required to make payments to the SAIF pursuant to subpart B of this part:

SAIF BASE ASSESSMENT SCHEDULE

Capital group	Supervisory subgroup		
	A	B	C
1	4	7	21
2	7	14	28
3	14	28	31

(b) *Adjusted assessment schedules*—(1) *In general.* Except as provided in paragraph (b)(3)(ii) of this section, institutions shall pay semiannual assessments at the rates specified in this paragraph (b) whenever such rates have been prescribed by the Board.

(2) *Adjusted rates for BIF members.* The Board has adjusted the BIF Base Assessment Schedule by reducing each rate therein by 4 basis points for the first semiannual period of 1997 and thereafter. Accordingly, the following