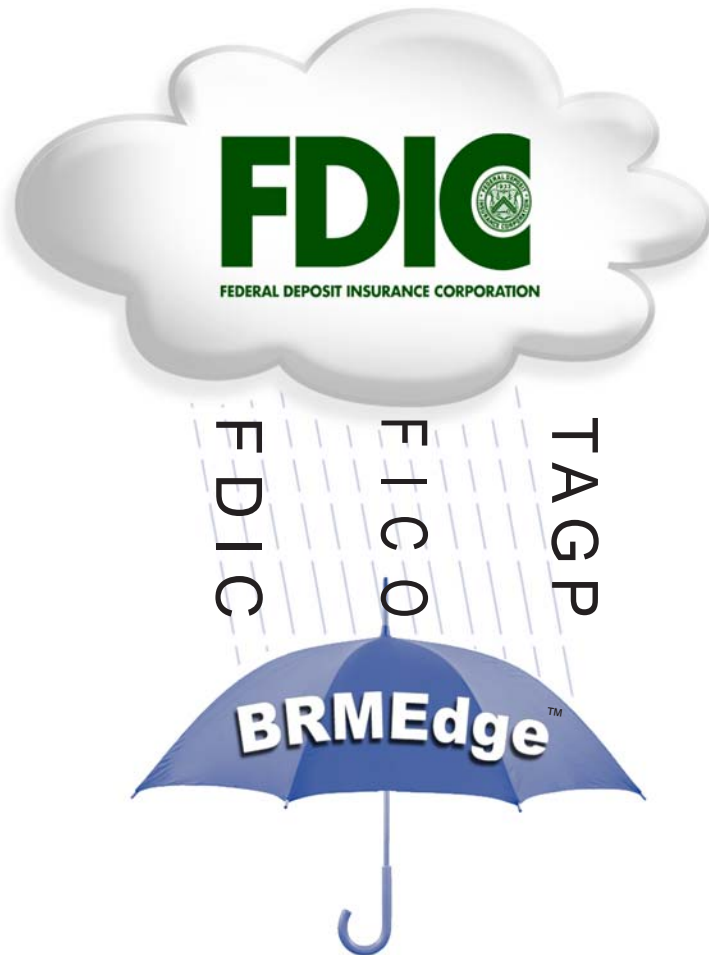


It's Raining Fees!

The need for companies to monitor their FDIC fees is greater than ever. Faced with a negative Deposit Insurance Fund (DIF), the FDIC is increasing its fees to banks – and banks, in turn, are increasing their fees to customers – some by over 225%!

To weather the FDIC fee storm, corporations must take a proactive approach to their account analysis. By understanding and comparing the FDIC fees of your various banks, you can optimize your balances, enhance your negotiating power, and lower your fees.

Read on to learn more about FDIC fees and how BRMEdge can help you weather the storm.



Today's Weather: A Deluge of FDIC Fees!

Currently, banks are paying as many as three quarterly fees to the FDIC – and, by proxy, so are you:

1. FDIC Assessment – This “standard” FDIC charge is based on a bank’s quarterly balances and risk-based rate. Recently, coverage limits rose from \$100k to \$250k and rates from between 0 and 17 bps to between 7 and 77.5 bps – the result: substantially higher FDIC fees for both banks and corporations.
2. TAGP fee – This 15 to 25 bps fee is charged to banks that did not opt out of the Transaction Account Guarantee Program providing unlimited FDIC coverage on noninterest balances above \$250k.
3. FICO Fee – A vestige of the Savings & Loan crisis to pay for past bailouts, this fee will expire in 2019.

Multi-Year Forecast: Strong Chance of Higher Fees

After having worked through only a quarter of the \$100 billion in forecasted bank failures, the FDIC’s Deposit Insurance Fund (DIF) is already in the red. The FDIC will have to act aggressively to achieve its federally mandated 1.15 minimum reserve ratio. In other words, expect FDIC fees to keep rising in the coming months and years.

1. TAGP has been extended yet again through the end of 2010; an additional one year extension is possible through the end of 2011.
2. Banks were required to prepay 13 quarters worth of FDIC fees on December 30, 2009. How banks will pass this prepayment on to customers who may or may not be doing business with them in 13 quarters’ time remains to be seen.
3. On September 30, 2009, the FDIC imposed a 5 point Special Assessment on banks. To recover this unexpected expense, banks have increased customers’ FDIC fees. Depending on how the crisis unwinds (and how successful prepayment is), additional special assessments may be necessary.
4. While FDIC coverage limits and rates will probably hold steady in the near term, future increases are not out of the question.

- There are no rules or guidelines on how banks charge customers for FDIC fees.
- Some banks will try to collect customer fees equal to those they pay the FDIC, others will charge customers a premium or grant a discount.
- Regardless of how banks charge for FDIC fees, it will be nearly impossible for them to absorb these unexpected expenses without passing the costs on to customers one way or the other, sooner or later.

The Perfect Storm

Beyond bigger bills, corporations face the following FDIC fee challenges:

1. It is mathematically impossible for banks to determine each customer's "fair share" of FDIC fees on a one-to-one basis – the best they can do is approximate.
2. There is no one correct method of apportioning FDIC fees, and as such, banks take a variety of approaches. It is extremely difficult, if not impossible, to determine which approach your bank takes and whether it is marking-up or discounting your fees.
3. There is no way to determine if you are paying extra for your bank's risky behavior. Banks' risk categories are confidential; and while some banks may increase customers' FDIC fees to compensate higher risk assessments, high FDIC fees do not necessarily mean your bank has an elevated risk rating.
4. How banks will pass future fees on to current customers is unknown. Will they increase their FDIC fees? Increase other, non-FDIC fees? Spread out the expense, or capture it all at once?...No one knows, but a variety of approaches is likely.

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The FDIC fee storm caught everyone off guard. Some banks responded quickly while others are taking a more studied approach. While we advise patience when communicating with your banks, it is imperative that you actively monitor your fees to achieve fee transparency.

Your Umbrella: BRMEdge

To protect yourself from the FDIC downpour, you need BRMEdge – a comprehensive bank fee analysis system that enables corporate treasury to electronically receive, process, and audit bank statements.

BRMEdge calculates the ratio of FDIC fees to balances so that you can compare the value of each banks' coverage on an apples-to-apples basis. By presenting the cost of insuring one balance dollar at each bank, the system provides you with the transparency required for making informed balance, budgeting, and bank relationship decisions.

BRMEdge also enhances your negotiating power. That's right – FDIC fees are negotiable...as are all your fees and rates! The system puts you in the driver's seat by providing comprehensive data about all your fees from all your banks. With BRMEdge, you can negotiate the lowest fees possible – FDIC or otherwise.

And if your banks decide to compensate FDIC losses by increasing other fees, you'll be ready. BRMEdge tracks, analyzes, and audits all your analysis fees so that you can capture billing mistakes, consolidate services, and compare fees against banks and benchmarks.

BRMEdge can't stop the fee downpour, but it can help keep you dry.

If you're interested in lowering your bank bills, contact The Weiland Financial Group, Inc., today at +1.847.735.0577 or by email: info@weiland-wfg.com.

