

Winter 2004/2005

You Can Simplify Your Financial Life

How to save time, reduce stress and eliminate clutter... and maybe even save more money

How many times have you started a new year with the same old resolutions? In this issue of *FDIC Consumer News* we want to help you get closer to achieving a resolution you may not have thought of before — to simplify your financial life.

We've compiled a list of things you can do to make your banking, bill paying and other financial chores easier. These ideas can help save you time, reduce some of the stress of handling your finances and making decisions, eliminate clutter, lower the fees you pay, and maybe even help you earn a little extra on your savings and investments.

We're not suggesting that you try everything on our list, especially if you like handling practically all of your banking business with pen, paper and mail instead of electronically. (See the article about overcoming technophobia on Page 4 if you're still in that category.) But if our report encourages you to simplify even a few



aspects of your financial life, the FDIC will have made progress in achieving one of *our* resolutions — to help educate consumers about how to save and manage their money. So start thinking about the new year... and a new way to get a handle on your financial life:

Organize your personal and financial papers: Ever been late paying a bill because you misplaced it? How easy would it be if you or a family member needed to quickly find crucial information about your savings, investments, credit cards, insurance or your other personal finances? Chances are you could stand to benefit from organizing your

financial records. Here are some ways to get started:

- Maintain a central filing system at home for your bank, brokerage, tax, insurance and other financial records. Also designate one place for gathering your bills. For important papers you want to have easy access to but also want to protect against theft and fire — your passport or Social Security card, for example — consider a relatively inexpensive but durable home safe.
- Pay ongoing attention to your bank and credit card accounts. Keep your checkbook up to date. Record all transactions, including ATM

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withdrawals (along with any fees or service charges), debit card use, and other deductions that do not involve writing a check. Regularly balance your account to avoid bounced checks, which can be costly. And, review your bank statement as soon as possible after it arrives or monitor your account online or through telephone banking (see Page 3). “You want to make sure the charges to your account are accurate so you can quickly dispute any errors or unauthorized transactions,” said Janet Kincaid, FDIC Senior Consumer Affairs Officer.

- Consider renting a safe deposit box at your bank for certain papers or items that could be difficult or impossible to replace. Examples include old family records (such as birth certificates), bonds and originals of important contracts. Some experts also recommend a safe deposit box for keeping copies of important account information or documents in case they are lost or damaged at home. What not to put in your safe deposit box? Anything you might need in an emergency, such as your passport or medical-care directives, in case your bank is closed when you need them. When it comes to your will, ask your attorney about the best place to leave the original (copies aren't valid). In some states or situations, says FDIC attorney Joe DiNuzzo, “it may be advisable to have your attorney or another trusted person hold your original will in case, after your death, your safe deposit box isn't easily accessible to the executor of your estate.”

- For the benefit of your heirs, either dispose of information about closed bank accounts (after you no longer need the documents for tax or other purposes) or clearly mark the accounts as closed. This could save you and your heirs countless hours trying to resolve mysteries involving an old bank account or a life

insurance policy discovered around your house.

“Take a little time now to develop or improve your recordkeeping system, and encourage your family members to do the same,” added Kincaid. “The time you spend organizing your records now will be well worth the time and effort that could be saved in the future.”

Get rid of the papers you're sure you don't need: Many people hold onto bills, bank statements, receipts, cancelled checks and other documents far longer than necessary simply because they worry about some day needing them to prove a payment or another transaction. We can't tell you when it's safe to throw away certain financial documents — that's for you to decide, perhaps after consulting with your accountant or attorney. But we can give some general guidance that many people can follow.

For example, it's reasonable to keep your deposit, credit card, ATM and debit card receipts until the transaction appears on your statement and you've verified that the information is accurate. Save your credit card and bank account statements for about a year if they have no tax or other long-term significance; the rest you should maintain for up to seven years. If records pertain to your purchase or sale of stocks, bonds and other investments (including receipts for home improvements), keep them for as long as you own the investment and then seven years after that.

Before tossing away any document that contains a Social Security number, bank account number or other personal information, shred it to avoid becoming a victim of identity theft. For more guidance, see “Your Bank Records: What to Keep, What to Toss... and When,” in the Fall 2002 *FDIC Consumer News* at

www.fdic.gov/consumers/consumer/news/cnfall02/bnkrcrds.html.

Consider consolidating accounts: Think about how many different financial institutions you use and how many accounts you have. You may be able to simplify your finances, reduce mail and paperwork, and even get better deals by concentrating your business with fewer institutions. “Many banks will offer special services, discounts or more attractive interest rates if you maintain multiple accounts or keep a larger balance,” added Kincaid. “The bottom line is that it just may not be worth running all over town to different banks for different services unless their offers are significantly better than what one bank would offer.”

Also look at how many credit cards and department store cards you carry. You may be better off using just two or three cards for your purchases. This makes it easier to keep track of your purchases and payments. Many card companies will even send a statement at the end of the year that breaks out your spending into different budget categories, such as entertainment or clothing.

Use direct deposit: Ask to have your pay, pension or Social Security benefits automatically deposited into your account at a financial institution. The service is free and easy to set up. Deposits are made quickly — checks don't sit around your house waiting to be delivered to the bank. You avoid filling out deposit slips, preparing envelopes and waiting in teller lines. And, direct deposit is safe and reliable, while paper checks can be lost, misplaced or stolen.

Be aware that it can take weeks to have a direct deposit arrangement up and running. This is important to remember, especially if you already get paid via direct deposit and you decide to change banks. “To avoid delays, be sure to keep your old

account open until all your direct deposits are going into your new account,” cautioned Kathryn Weatherby, an Examination Specialist for the FDIC.

Put some savings on autopilot:

Arrange with your bank, employer or benefits agency (such as the Social Security Administration) to automatically transfer a certain amount each month to a bank account or mutual fund, to purchase a U.S. Savings Bond, or for another investment. This approach helps you stick to a savings plan because the investments are made like clockwork, and the results can be impressive.

Consider using a credit card or debit card at the checkout counter instead of writing checks.

Both offer speed and convenience over carrying a checkbook and writing checks. “Many consumers also like to use their debit card to obtain cash over and above their purchases,” said Weatherby. “This saves you a trip to the bank or ATM to get extra cash, but make sure you understand your bank may charge a fee for that withdrawal.” Check with your bank to find out if it charges a fee for this service and how much.

Unsure about how debit cards work? A debit card looks like a credit card and often has a MasterCard or Visa logo; however, the funds come directly out of the bank account you designate. Remember that some banks charge fees for using debit cards, especially when getting cash back at the checkout counter or with other transactions that may require you to key in a PIN (personal identification number) instead of signing your name.

Take advantage of ATMs:

Automated teller machines offer quick, convenient ways to get cash, even when you’re in a foreign country. But you also may be able to

go to one of your bank’s ATMs and make a deposit or loan payment, transfer funds between accounts, or inquire about your account balance.

Remember, though, that withdrawing cash from an ATM that doesn’t belong to your bank or that’s not part of its multi-bank ATM “network” can cost you anywhere from \$1 to \$4 per transaction. Some banks also charge for balance inquiries. You can keep a lid on ATM fees by using your own bank’s ATMs whenever possible because practically all banks offer accounts with free ATM transactions to their own customers. For more information about using ATMs, see the Spring 2004 *FDIC Consumer News* at www.fdic.gov/consumers/consumer/news/cnspr04/index.html.

Automate recurring bills: Arrange for an automatic withdrawal from your checking account to cover a recurring expense — for example, a mortgage loan, utility bill, a health club membership or an insurance payment — at no charge to you. This takes the hassle out of making scheduled payments and helps avoid late charges or service interruptions.

Another option is to arrange with companies to automatically charge a monthly bill to your credit card, for you to pay back later along with other expenses.

Try banking by phone: Many banks allow you to use a touch-tone phone to manage your accounts any time, anywhere, free of charge. Just follow the voice-prompts to check account balances, verify recent transactions, transfer money between accounts and receive information on such topics as branch locations or current interest rates. First contact your bank to find out what’s offered and what’s involved in getting started.

While consumers today can transfer money by telephone only between linked accounts at the same bank,

Arrange for an automatic withdrawal from your checking account to cover a recurring expense — for example, a mortgage loan or utility bill — at no charge to you. This takes the hassle out of making scheduled payments and helps avoid late charges or service interruptions.

many observers say the phones of the future could make our lives even simpler as portable payment devices.

“As cell phones become more prevalent and more powerful, consumers will be doing a lot more with them than just making calls, taking pictures and playing computer games,” according to Donald Saxinger, another FDIC Examination Specialist. For example, he said, “Mobile phones may soon be used as ‘electronic wallets’ that are able to transfer money directly to other people, to merchants or to vending machines.”

Explore banking and bill paying

over the Internet: Online banking lets you review deposits and withdrawals, keep track of your balance, and transfer funds between linked accounts 24 hours a day, seven days a week. Most banks also allow you to pay bills quickly and easily online by keying in a few details and clicking “OK.” Online bill paying often is either free of charge or for a fee that is usually less than what you’d spend on postage.

In addition, “the ability to monitor your account any time, without having to wait for a monthly statement in the mail, enables you to quickly report a billing error or even identity theft,” said Michael Jackson, an Associate Director of the FDIC’s Division of Supervision and Consumer Protection. “And the sooner you spot a problem, the easier it should be to fix.”

continued on next page

You can even use the Internet to fill out a loan application from home, when and where it's convenient for you. "Most consumers like to finalize a loan in person, at the bank, with a pen and a handshake," said Weatherby. "But it's a big plus being able to take care of the bulk of the preliminary work at your leisure and at home, where you already have the income and expense records you may need, and where you can send encrypted information securely over the Internet to your bank."

Use the Web to comparison shop for financial services. The Internet also lets you research products and services among hundreds of financial institutions any time of day without ever leaving home. "And the more information available to the public, the more competition there is, and that can mean better prices for consumers," said Saxinger.

Remember, though, that not all Web sites and e-mail advertisements are from reputable companies, and some may be the clever work of crooks attempting to obtain personal information they can use to commit fraud. See the box on the right for some reminders about how to protect against scams.

Final Thoughts

We hope we've given you some new ideas you can use to simplify your financial life. If you're not sure what's best for you, speak with a bank representative or a trusted advisor.

Also consider starting small, maybe with one or two new ways of doing things that are easy and not too intimidating at first.

And remember that if you need more guidance about your consumer protections, the government agencies listed on Page 7 can help further simplify your life with reliable help and information. 🏠

Afraid To Bank Electronically? Read This

Bank customers who are afraid or confused about banking electronically — using a debit card, the Internet, an ATM, telephone or similar device — could be missing out on some convenient, time-saving ways to handle their finances. Here's information that can help you overcome your technophobia.

Federal laws and rules may limit your liability for unauthorized transactions and set procedures for correcting errors. The Electronic Fund Transfer Act (EFTA) and the Federal Reserve Board's "Regulation E" offer consumer protections, especially if you report a problem to your financial institution within specified time periods.

Suppose a hacker obtains your debit card number and password and uses that information to transfer funds from your bank account. The EFTA says you will have no liability for an unauthorized transaction if: (1) the situation does not involve the loss of your debit card or password, and (2) you notify your card issuer within 60 days of the date your financial institution mails the statement containing the error.

What if you did lose your debit card or password and a thief makes an unauthorized withdrawal from your account? "It depends on how quickly you notify your financial institution after learning of the lost card or password," said Robert Patrick, an FDIC attorney. "If you notify your financial institution within two business days after learning that the card or password is lost, the EFTA limits your liability to \$50 or the amount of any unauthorized transfer, whichever is less." Wait longer, he says, and "your potential liability could go up significantly."

You can protect yourself.

Financial institutions spend millions of dollars and follow extensive security programs to make electronic banking transactions go safely and smoothly. But you have a role to play in protecting yourself, too. "Begin a dialogue with your bank about its electronic banking services and its safety features," suggested Michael Jackson, an Associate Director of the FDIC's Division of Supervision and Consumer Protection. "But you need to think about your own safety procedures, too."

As we've cautioned consumers many times, protect your personal information — including bank account numbers, passwords and Social Security numbers — from scam artists who hide at the other end of the computer screen or phone line. Don't give personal information in response to an unsolicited phone call or e-mail. And before providing credit card or other information on a Web site, confirm that the site is legitimate, not a copycat designed by a crook, by verifying the Web site's address in literature from the company or another reliable source.

Take security measures with your home computer. For example, experts advise installing and periodically updating virus protection and a "firewall" to stop hackers from accessing your home computer. Also keep good records so you can spot and reconcile errors. Review your bank statement as soon as it arrives and promptly report any suspicious or unauthorized transactions. Your quick attention to the problem may help limit your liability and make the puzzle easier to solve.

For more tips about computer security and personal information, visit the Federal Trade Commission's Web site at www.ftc.gov/infosecurity. 🏠

Expecting a Tax Refund? Beware of Costly Loans and Other Pitfalls

Are you expecting a tax refund because you overpaid your 2004 taxes? Do you typically get a refund check? If so, you're not alone. The IRS says that 77 percent of all taxpayers received a refund on their 2003 federal income tax returns. Those refunds averaged more than \$2,100. And while a big tax refund may seem like a windfall, there are some potential pitfalls, too. **FDIC Consumer News** doesn't give tax advice, but we can suggest money-saving options to consider or discuss with your tax advisor:

If you need cash and you can't wait for your tax refund, carefully consider your options and costs:

Perhaps you've heard or read about "refund anticipation loans" (RALs) arranged by tax preparers for people who file their returns electronically. These loans enable you to get cash in just a day or two and pay the money back with your tax refund. RALs may offer quick and convenient access to cash and the fees may seem small, but be careful. The costs translate to very high interest rates compared with other loans.

For the typical RAL, you can expect to pay lender fees of about \$35 to \$100 (depending on the size of the loan). These fees can translate to Annual Percentage Rates (APRs) of about *60 to 650 percent or more*, far above what you'd probably be willing to pay for other loans. (Note: The federal Truth in Lending Act and the Federal Reserve Board's Regulation Z require lenders to disclose information about loan costs if certain criteria are met. Some states and cities also have adopted regulations requiring loan cost disclosures.)

"A refund anticipation loan is a high-cost loan that people can avoid if they're willing to wait a few weeks for their refund," said Vanessa Hester, the FDIC's Chief of Accounting and Tax

Policy. She noted that the IRS says taxpayers will receive their refunds within three weeks if the return is filed electronically (two weeks if directly deposited into a bank account) and is complete and accurate. "Unless you need the funds for an emergency or another compelling reason, it almost never makes sense to take one of these loans."

Steve Johnston, an FDIC Senior Accountant, added, "You've already lent Uncle Sam your money interest-free, so why also pay a big fee to get your own money back a little sooner?"

If you really need to borrow money before your refund arrives, consider lower-cost options, such as tapping a home equity line of credit or using your credit card for necessary purchases. "A good principle to follow, in all situations, is to borrow money only when necessary and to shop carefully so that you can borrow in the most economical way," said Donna Gambrell, Deputy Director of the FDIC's Division of Supervision and Consumer Protection.

Some experts also suggest freeing up additional cash by paying less (or nothing) for your tax preparation. One IRS program that the FDIC is helping to promote is the Volunteer Income Tax Assistance (VITA) service, which provides free help to low- and moderate-income citizens in preparing their income tax returns and obtaining the tax deductions and credits to which they are entitled. Some VITA locations also offer free electronic filing, which can mean faster access to refunds, too. Another IRS program is Free File, which enables anyone to prepare and file their federal taxes for free through the IRS Web site. "Free tax preparation enables more consumers to save money and avoid a high-cost loan," said Cathy Davis, an FDIC Community Affairs Specialist and a

VITA tax-preparation volunteer. For more information about these and other services, go to www.irs.gov.

Have your tax refund deposited electronically into your bank

account: Direct deposit is the fastest way to get your tax refund, especially if you file your return electronically. Direct deposit also is the safest way to obtain a refund because paper checks can be lost, misplaced or stolen.

Make the best use of your refund:

Sure, you can treat yourself to a new car or spend the money on that wide-screen plasma TV. But consider some more "sensible" alternatives: Pay down or pay off your loans and other bills, starting with the ones that charge the highest interest rates on unpaid balances. Start or add to an existing savings account. Fund a retirement account or college savings plan. Or, use the money to protect the value of your home by making repairs or improvements.

Consider ways to reduce or eliminate a tax refund in the future:

You wouldn't intentionally overpay your electric bill each month just because you knew you'd eventually get the extra payments back at the end of the year. So why pay your taxes that way? A tax refund of \$2,000 breaks down to about \$167 per month that you lent the U.S. government interest-free each month.

Review your current year's tax situation to be fairly sure you won't have a significantly higher tax bill than in the past. If a change is appropriate, fill out a new W-4 form from your employer increasing the number of your "personal allowances." This adjustment will reduce the tax money withheld each pay period and increase your take-home pay. On the other hand, if you owed a lot of money on last year's taxes, consider decreasing your take-home pay. ■

New Studies Highlight Different ID Thefts

Here's a look at some new studies that can help you better understand the common causes of identity theft — situations in which a crook uses someone else's personal information to commit fraud — and how the crime is committed.

The Federal Trade Commission's latest annual report on consumer complaints shows that ID theft topped the list for the fifth year in a row, accounting for 39 percent of all consumer fraud complaints filed with the FTC during 2004. Credit card fraud was the most common form of reported identity theft (28 percent of the total), followed by phone or utilities fraud (19 percent) and bank fraud (18 percent). See the FTC's announcement at www.ftc.gov/opa/2005/02/top102005.htm.

A study released by the Council of Better Business Bureaus (BBB) and Javelin Strategy & Research shows that ID theft is more likely to occur as the result of a lost or stolen wallet or checkbook, not because of Internet-related fraud. The study also says that friends, family members, neighbors or in-home employees make up half of all identity thieves. To read the report and recommendations for consumers, go to www.bbb.org.

And the FDIC released a study on "account hijacking," which is the unauthorized access and misuse of existing account information, primarily through online "phishing" scams (fraudulent e-mails asking recipients to verify or provide confidential financial information).

The FDIC report offers some "best practices" that financial institutions and their regulators can consider using to help protect consumers from online fraud. Consumers also may wish to read the study to learn why phishing scams should be taken seriously. While online banking offers

many benefits to consumers and there are consumer protections (see Page 4), people still need to be on guard against ID theft in any form.

"Most ID theft may be committed the old-fashioned way, via paper, but electronic ID theft is the fastest-growing form because of the growth in online banking," said Michael Jackson, Associate Director of the FDIC's Division of Supervision and Consumer Protection. He added that electronic ID theft "is perhaps the toughest for a consumer to detect." Why? "You're likely to know pretty quickly if you've lost your wallet," Jackson explained, "but people often go weeks or months before realizing that their personal information has been stolen online."

To read the FDIC report, go to www.fdic.gov/consumers/consumer/idtheftstudy/index.html. To learn more about phishing scams, see www.fdic.gov/consumers/consumer/alerts/index.html. 🏠

Wanted: Your Thoughts About Senior Citizens, Young Adults and Money

FDIC Consumer News is planning special reports intended to help young adults (mostly teens, college students and 20-somethings) and senior citizens do a better job handling their money. We're gathering information to help address some of the most important financial issues facing these important segments of our society — and for that, we'd like your help.

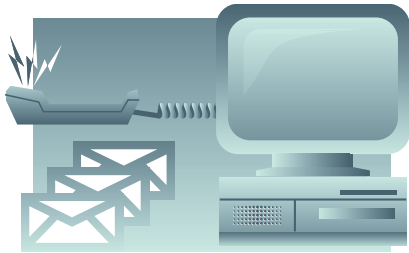
Send us your questions, suggestions or concerns on the topics you believe matter the most to these different generations. Write by April 1, 2005 to editor Jay Rosenstein (see next page). Please include your name, address and phone number. No names will appear in print without permission. Note: While *FDIC Consumer News* cannot respond individually to your submissions, you can get answers to questions by calling or writing the FDIC as listed on the next page. 🏠

News Briefs

New Video on FDIC Insurance: The FDIC has produced a 27-minute video to help bank customers and employees understand the basics of deposit insurance, including how the FDIC covers the most common types of accounts. Consumers and financial institution employees are encouraged to view the video on the FDIC's Web site at www.fdic.gov/deposit/deposits/index.html. For more information, see the Web page listed above or contact the FDIC's Call Center toll-free at 877-275-3342.

How to Obtain Free Credit Reports: As previously reported in *FDIC Consumer News*, you have new rights to obtain one free copy of your credit report from each of the three nationwide credit bureaus every 12 months beginning in western states December 1, 2004, and gradually moving east with completion due by September 1, 2005. Recently, the three major credit bureaus (Equifax, Experian and TransUnion) have set up one central Web site (www.annualcreditreport.com), toll-free phone number (877-322-8228) and mailing address (Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281) you can use to order your free report. For more information, see the new Federal Trade Commission fact sheet *Your Access to Free Credit Reports* (online at www.ftc.gov/bcp/conline/pubs/credit/freereports).

For More Information



The **Federal Deposit Insurance Corporation** insures deposits at banks and savings associations and supervises state-chartered banks that are not members of the Federal Reserve System. The FDIC's services include a toll-free consumer assistance line, answers to written questions, and informational material. Toll-free phone: (877) ASK-FDIC or (877) 275-3342. The phone line is staffed Monday through Friday, 8:00 a.m. to 8:00 p.m., Eastern Time. Recorded information is available 24 hours a day. The toll-free TTY number for the deaf/hard-of-hearing is (800) 925-4618. Home Page: www.fdic.gov. Mail: 550 17th Street, NW, Washington, DC 20429.

For questions about deposit insurance coverage: Contact the FDIC Division of Supervision and Consumer Protection at the address and phone numbers above or by e-mail using the Customer Assistance Form on the Internet at www2.fdic.gov/starsmail/index.html. The National Credit Union Administration (listed below) insures deposits at federally insured credit unions.

For other questions, including those about consumer protection laws, or complaints involving a specific institution: First attempt to resolve the matter with the institution. If you still need assistance, write to the institution's primary regulator listed on this page. Although the FDIC insures nearly all banks and savings associations in the United States, the FDIC may not be the primary regulator of a particular institution. Other regulators are listed below. To submit a complaint about an FDIC-supervised institution, contact the FDIC Division of Supervision and Consumer Protection as listed above. For inquiries involving problems or complaints related to the FDIC, contact the FDIC Office of the Ombudsman at the mailing address and phone numbers listed above, by fax to (202) 942-3040, or by e-mail to ombudsman@fdic.gov.

The **Federal Reserve System** supervises state-chartered banks that are members of the Federal Reserve System. Phone: (202) 452-3693. Fax: (202) 728-5850. Home Page: www.federalreserve.gov. E-mail: www.federalreserve.gov/feedback.cfm. Mail: Division of Consumer and Community Affairs, 20th Street and Constitution Avenue, NW, Mail Stop 801, Washington, DC 20551.

The **Office of the Comptroller of the Currency** charters and supervises national banks. (The word "National" appears in the name of a national bank, or the initials "N. A." follow its name.) Phone: (800) 613-6743. Fax: (713) 336-4301. Home Page: www.occ.treas.gov. E-mail: consumer.assistance@occ.treas.gov. Mail: Customer Assistance Group, 1301 McKinney Street, Suite 3710, Houston, TX 77010.

The **Office of Thrift Supervision** supervises federally and state-chartered savings associations plus federally chartered savings banks. (The names generally identify them as savings and loan associations, savings associations or savings banks. Federally chartered savings associations have the word "Federal" or the initials "FSB" or "FA" in their names.) Phone: (800) 842-6929 or (202) 906-6237. Home Page: www.ots.treas.gov. E-mail: consumer.complaint@ots.treas.gov. Mail: Consumer Affairs Office, 1700 G Street, NW, Washington, DC 20552.

The **National Credit Union Administration** charters and supervises federal credit unions, and insures deposits at federal credit unions and many state credit unions. Phone: (703) 518-6330. Fax: (703) 518-6409. Home Page: www.ncua.gov. E-mail: pacamail@ncua.gov. Mail: Office of Public and Congressional Affairs, 1775 Duke Street, Alexandria, VA 22314.

Your state government also may offer assistance and publish useful information. Contact your state's Attorney General's office, consumer protection office or financial institution regulatory agency as listed in your phone book or other directories, or visit your state's official Web site.

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Consumer information from the FDIC is available at www.fdic.gov and from the FDIC Public Information Center,
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Washington, DC 20434
Toll-free phone: (877) 275-3342 or
(202) 416-6940 (Washington area)
E-mail: publicinfo@fdic.gov
Fax: (202) 416-2076

The FDIC Always Pays 100 Percent of Insured Deposits if a Bank Fails

Q: My investment advisor told me that if my bank fails, the FDIC could take up to 99 years to pay my insured deposit accounts. He also told me that the FDIC only covers principal, not interest, and only pays 17 cents for each dollar in an account. Is this correct?

A: No, the information you received from your financial planner is definitely NOT correct. In the unlikely event that a bank were to fail, federal law requires the FDIC to pay 100 percent of the insured deposits — including principal *and* interest — “as soon as possible” after an insured bank fails. Historically, the FDIC pays insured deposits within a few days after a bank closes, usually the next

business day. In most cases, the FDIC will provide each depositor with a new account at another insured bank. Or, if arrangements cannot be made with another institution, the FDIC will issue a check to each depositor.

Also, while the basic insurance limit is \$100,000 per depositor per insured bank, this coverage is applied separately to funds held in different ownership categories. If, for example, you have some funds in single accounts, some in joint accounts, and other money in other categories of accounts, you can have well above \$100,000 at the same bank and still be fully insured by the FDIC.



Got questions about deposit insurance or other consumer protections? Get answers by going to the FDIC's Web site at www.fdic.gov or contacting the FDIC at the phone numbers or addresses listed on Page 7.

OFFICIAL BUSINESS
Penalty for Private Use, \$300

Federal Deposit Insurance Corporation
Washington, DC 20429-9990

