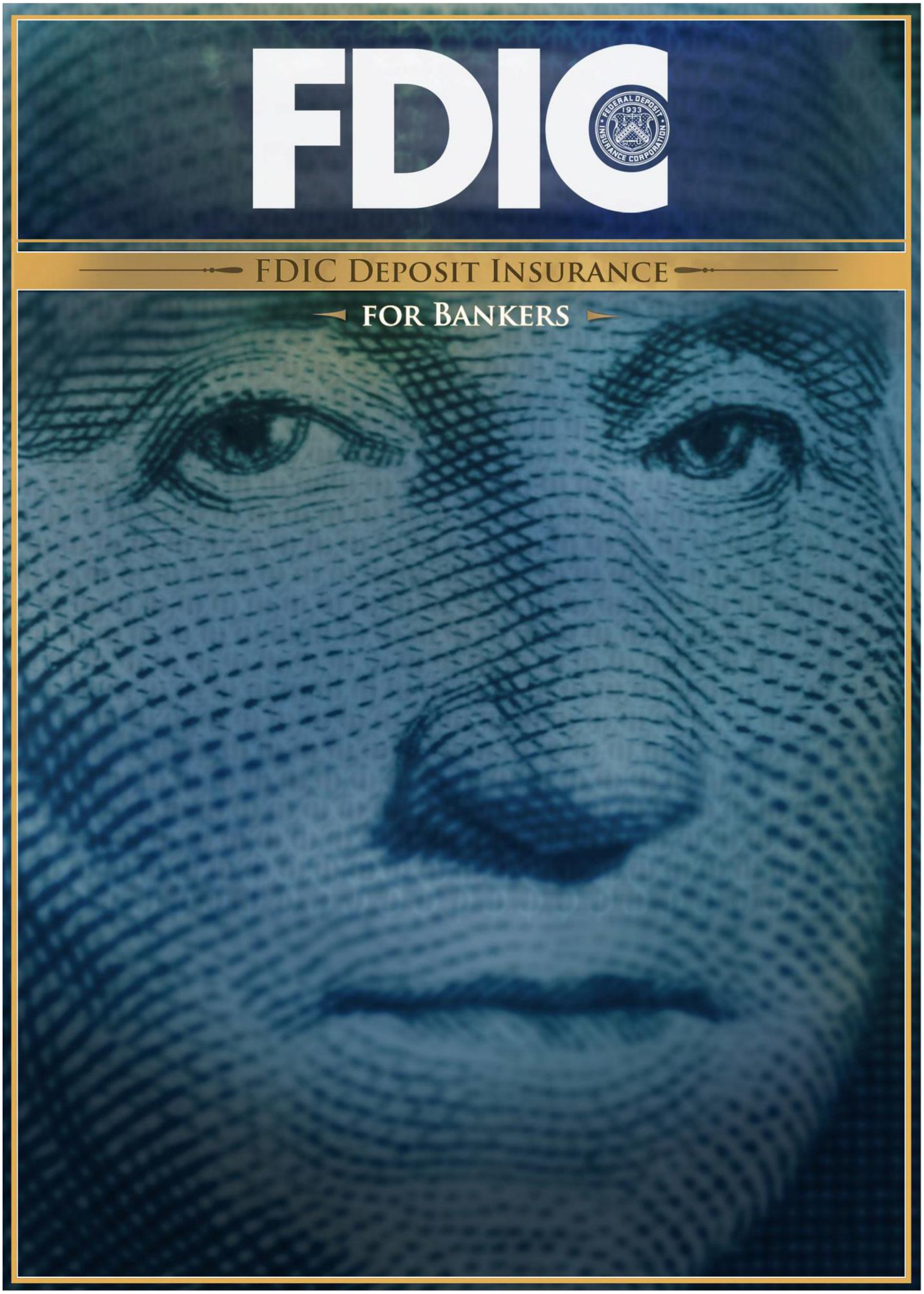
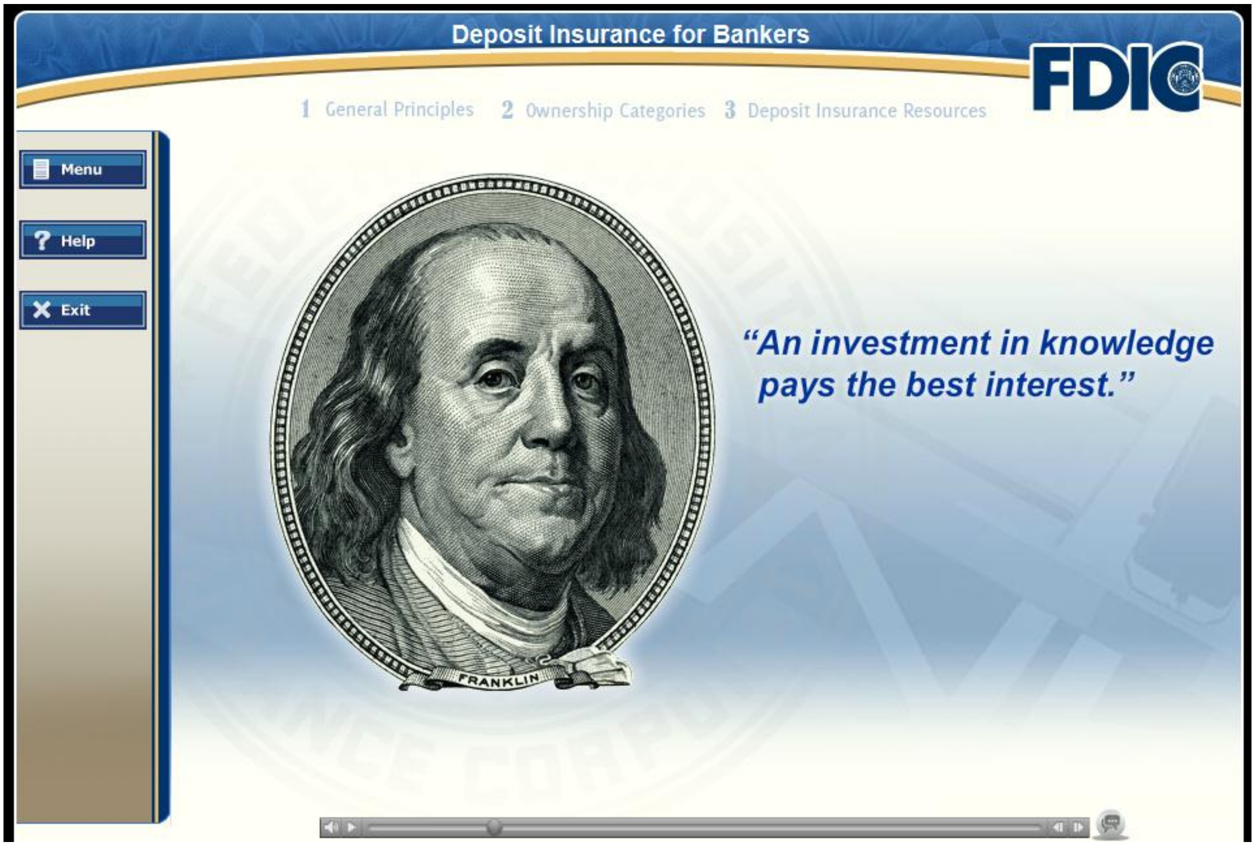

FDIC
FDIC DEPOSIT INSURANCE
FOR BANKERS



"An investment in knowledge pays the best interest."

Benjamin Franklin

Welcome to the FDIC Deposit Insurance Training for Bankers.

What investment in knowledge can an FDIC-insured depository institution make that affords its depositors security and confidence?

FDIC-insured banks can provide training to their employees about the basic principles of FDIC deposit insurance coverage including information about FDIC deposit insurance coverage resources.

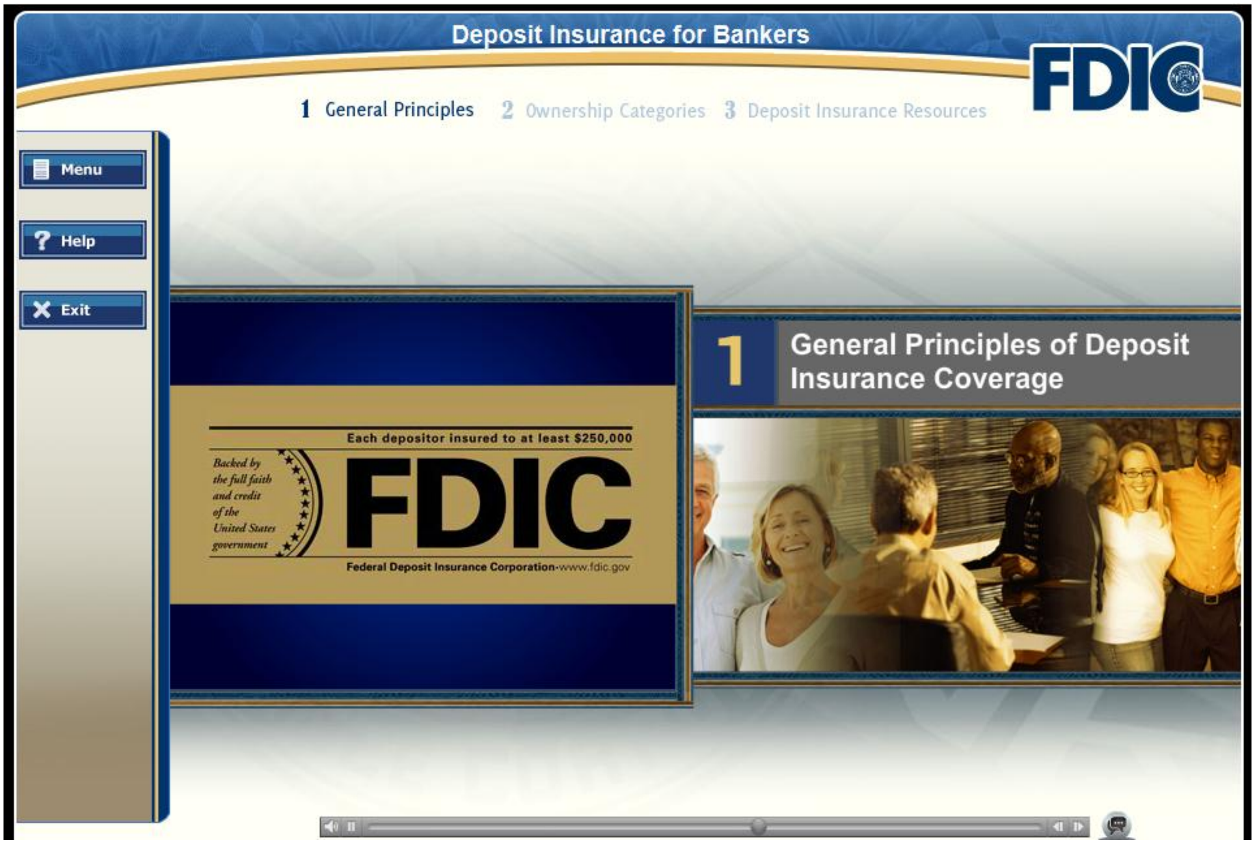
When depositors have questions about the safety of their money, they first turn to you - the banker to get their answers. Therefore, understanding how deposit insurance coverage works is critically important for you.

This course has been designed to provide you – the banker - with a basic understanding of the deposit insurance coverage rules so that you can answer general coverage questions and/or guide your depositors to FDIC deposit insurance coverage resources where they can obtain more information.

Let's begin!

This course will provide you with the knowledge to:

- Describe the general principles of deposit insurance coverage
- Explain the account ownership categories, including the rules, requirements, and coverage available
- Discuss fiduciary relationships, and
- Inform you about the deposit insurance coverage resources



Lesson 1: General Principles of Deposit Insurance Coverage

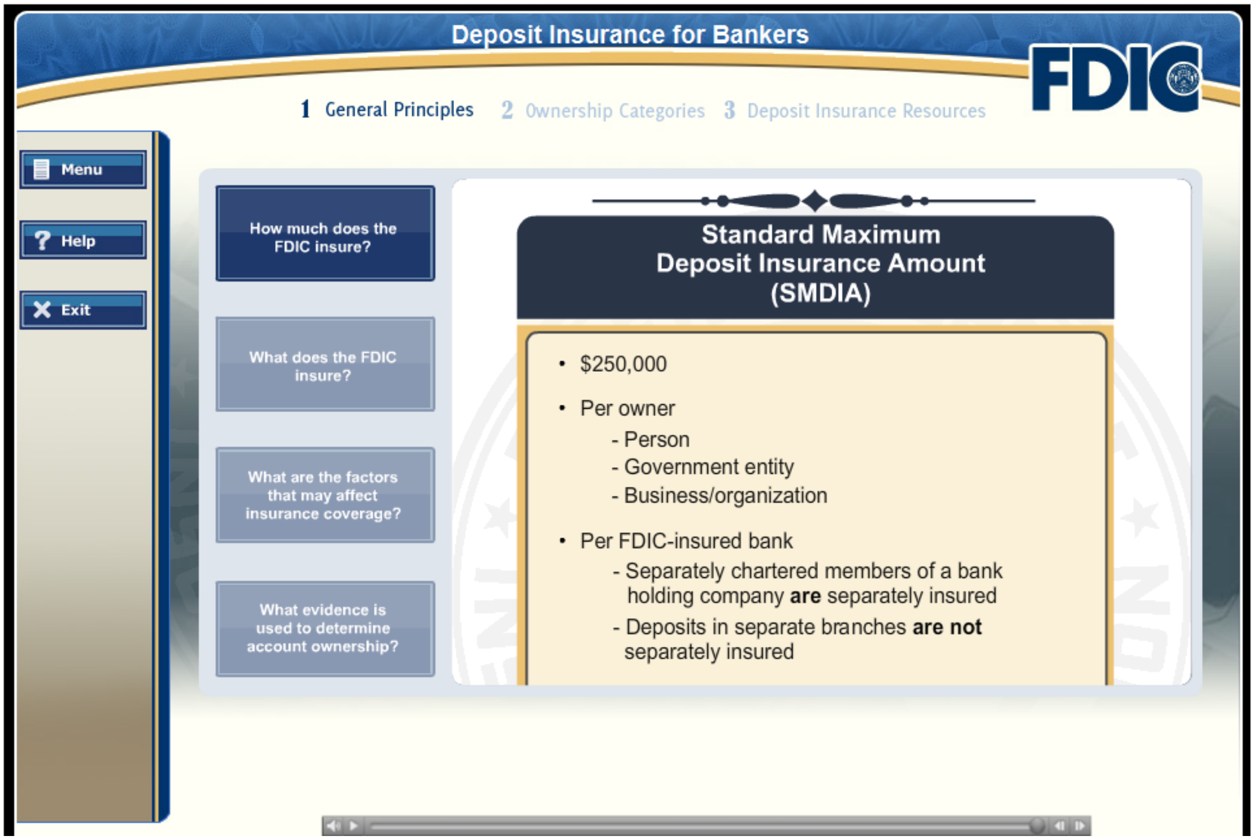
When depositors see the FDIC Official Sign, they can be assured that their deposits are insured. The FDIC only insures deposits at FDIC-insured banks.

Standard deposit insurance coverage is at least $250,000 per depositor, per bank, per ownership category, including principal and accrued interest.

In this lesson, we will take a closer look at the general principles that govern deposit insurance coverage.

Specifically in this lesson, we will:

- Explain the Standard Maximum Deposit Insurance Amount, also known as SMDIA
- Identify the types of deposits the FDIC insures
- Describe the factors that may affect insurance coverage, and
- Review the evidence used to determine account ownership



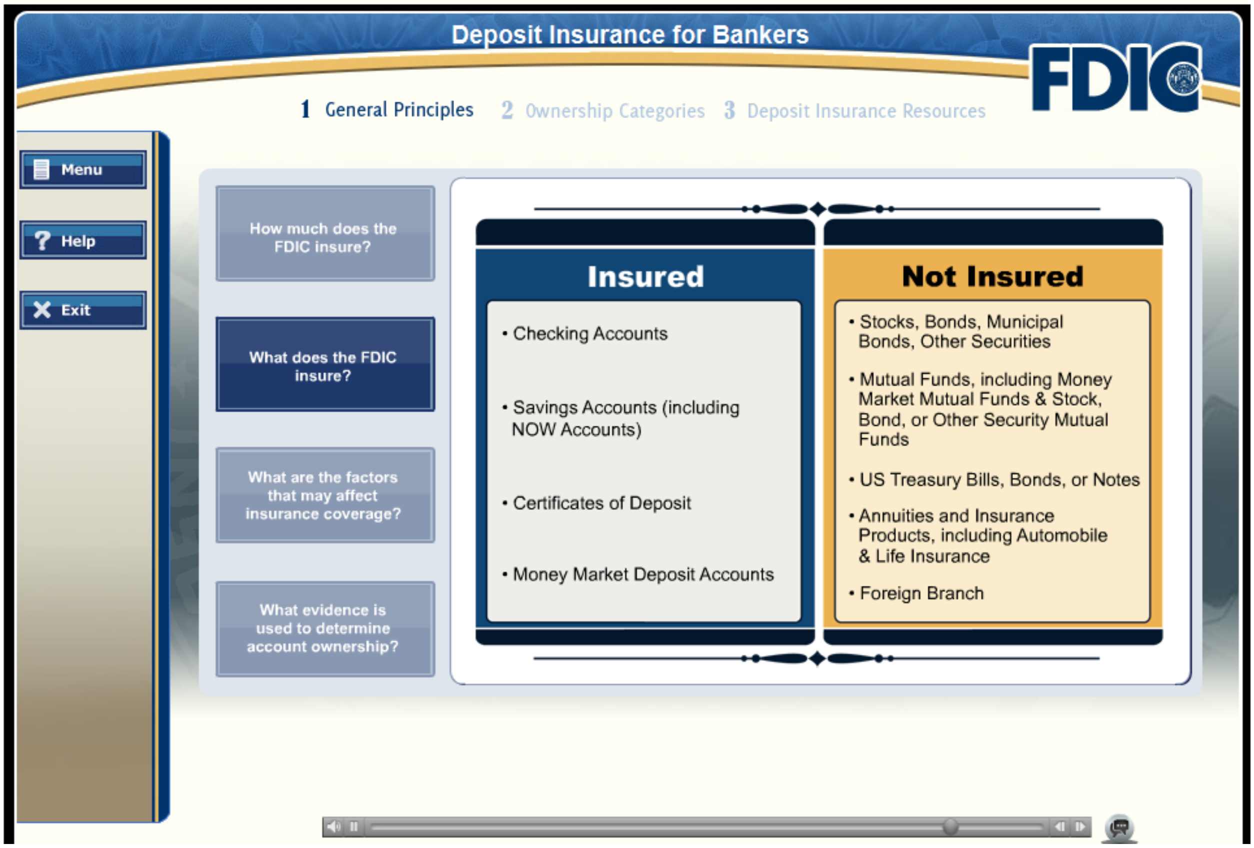
The Standard Maximum Deposit Insurance Amount is $250,000.

Deposit insurance coverage is calculated on a per owner basis. An owner can be any person, government entity or business organization. An owner does not have to be a citizen, or even a resident of the United States.

Deposit insurance coverage is calculated per FDIC-insured bank. Deposits must be placed in separately chartered FDIC-insured banks in order to be insured separately. So a person or entity can be covered up to $250,000 at bank A, and up to another $250,000 at bank B.

Separately chartered FDIC-insured banks that are members of a bank holding company are also separately insured.

Deposits in separate branches of the same bank are not separately insured even if the branches are in different states. Deposits placed in separate branches of a bank within the same charter are added together to determine the insurance coverage for that one separately chartered FDIC-insured bank.



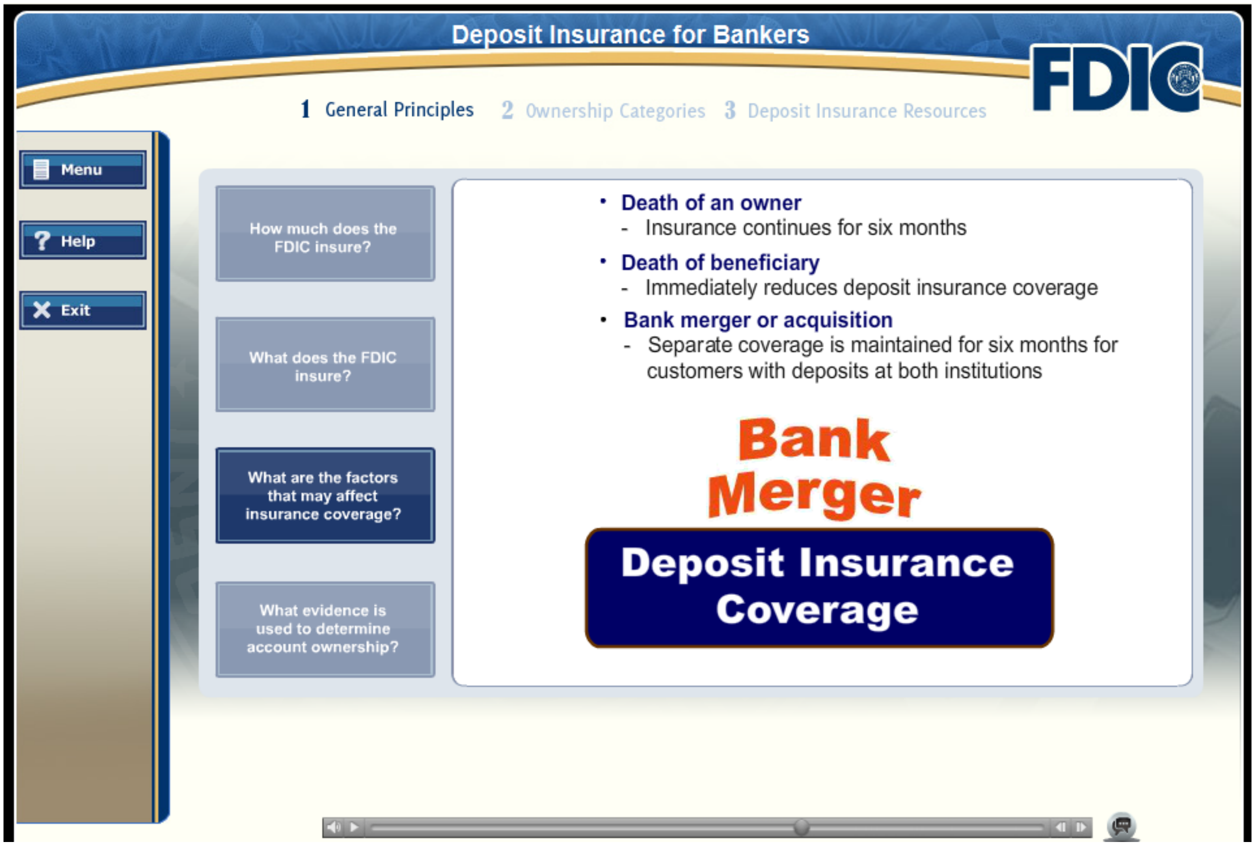
What does the FDIC insure?

The FDIC insures deposit accounts.

Insured accounts include checking accounts, savings accounts (including NOW accounts), certificates of deposit, and money market deposit accounts.

The FDIC does NOT insure stocks, bonds, municipal bonds, & other securities; mutual funds (including money market mutual funds), & stock, bond, or other security mutual funds; U.S. treasury bills, bonds, or notes (although each of these government securities is backed by the full faith and credit of the United States government); annuities; and insurance products such as automobile or life insurance.

The FDIC also does not insure funds in a U.S. bank's foreign branch account, if the account is payable solely outside the United States.



There are several factors that may affect insurance coverage.

Death of an owner:

If the owner of a deposit account dies, the FDIC insures the deceased owner's accounts as though the owner is still alive for a period of six months following his or her death.

Death of a beneficiary:

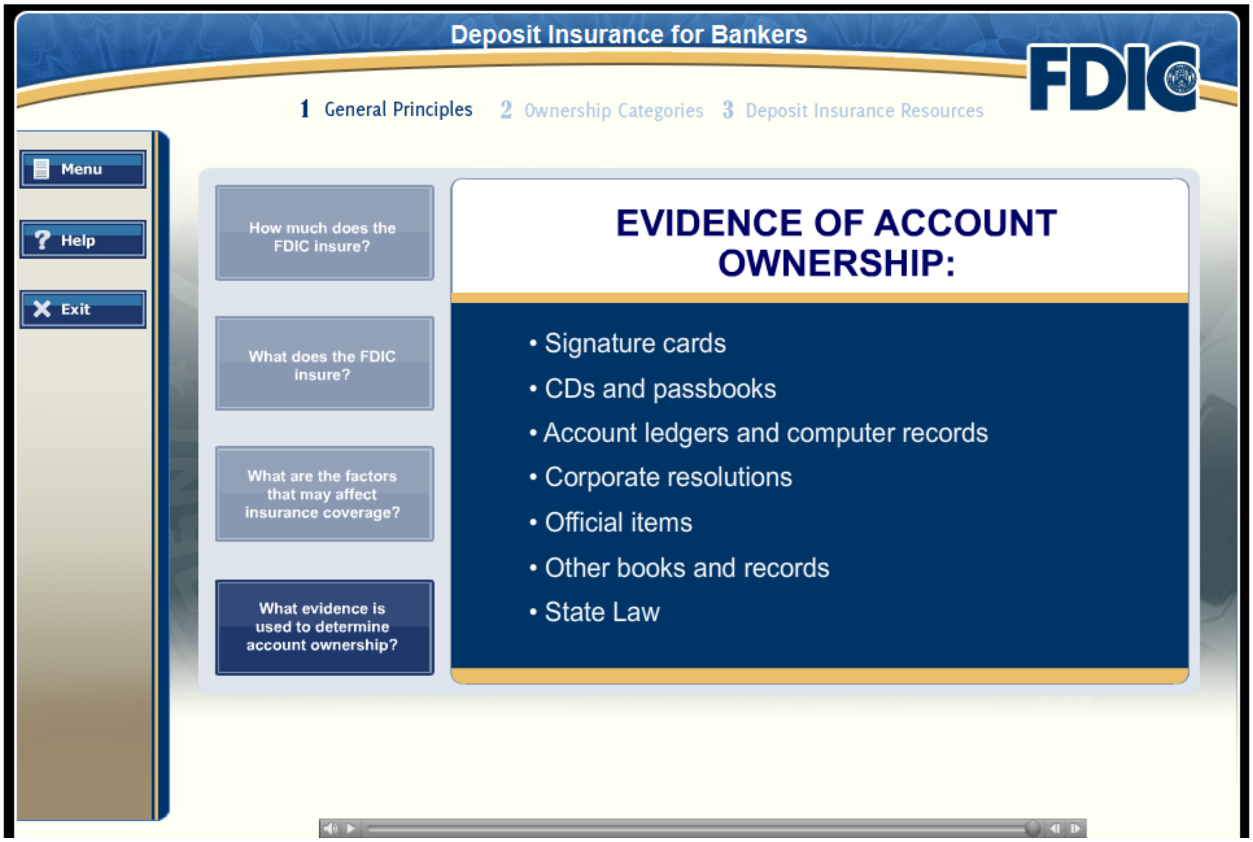
No grace period applies if a beneficiary of a deposit account dies. In most cases, the death of a beneficiary will immediately reduce the deposit insurance coverage of the owner's deposit account.

Bank merger or acquisition:

In the case of a Bank Merger, separate insurance coverage is maintained for six months after the merger for customers who have deposits at both institutions. This will only matter if their combined total exceeds the standard maximum deposit insurance amount.

A special merger rule exists for CDs issued by an acquired bank. Separate insurance for CDs issued by the acquired bank is maintained until maturity.

IF…	**AND…**	**THEN…**
CD Matures within six months after the merger	is renewed for the same amount and for the same term…	CD remains separately insured from accounts at acquiring bank until maturity.
CD Matures within six months after the merger	is renewed for a different amount or term…	separate coverage is provided only for the six months from the merger date.
CD does not mature within six months after merger		Separate coverage ends upon maturity of the CD.



The single most important question to answer in calculating FDIC deposit insurance coverage is "Who owns the funds?"

The answer to this question is critical, because both the amount and the method for determining FDIC deposit insurance is based on who owns the funds.

The FDIC relies on bank deposit account records to determine ownership. Evidence of account ownership includes the following items:

- Signature cards
- CDs and passbooks
- Account ledgers and computer records that relate to the bank's deposit-taking function
- Corporate resolutions authorizing accounts in the possession of the bank
- Official items
- Other books and records of the bank

Also, in cases when the account records are unclear as to the ownership of a deposit, the FDIC may look to State law, including contract law, to determine ownership.

Understanding the general principles of deposit insurance is an important first step in assisting customers with their deposit insurance coverage questions.

In this lesson we:

- Explained the Standard Maximum Deposit Insurance Amount (or SMDIA) is $250,000
- Identified the types of deposits the FDIC insures
- Described the factors that may affect insurance coverage, and
- Reviewed the evidence used to determine account ownership

In the next lesson we will discuss the specific FDIC deposit insurance account ownership categories. You will learn how a depositor may have more than the basic insurance limit of $250,000 at one bank and remain fully insured.

Lesson 2: Ownership Categories

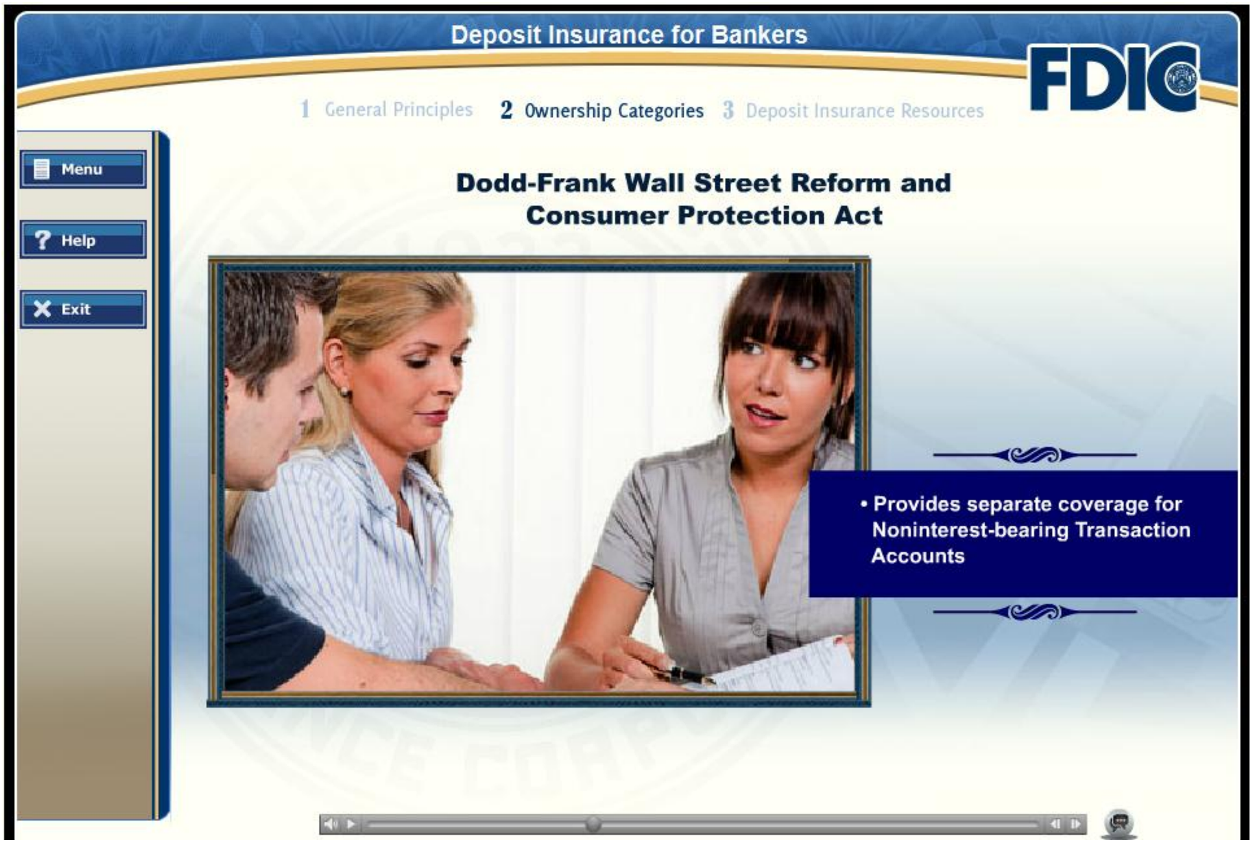
Here's where we begin to answer the question that is repeatedly asked by depositors. How much money can I put in one bank and be fully insured by the FDIC?

FDIC deposit insurance coverage is based on the deposits that a person or entity maintains in different ownership categories.

If a depositor can meet the requirements for a specific ownership category, then their deposits will be insured up to at least the SMDIA for each ownership category.

This lesson will:

- Describe the temporary unlimited deposit insurance coverage for Noninterest-bearing Transaction Accounts
- Identify the most common account ownership categories and determine how to calculate deposit insurance coverage and
- Describe Fiduciary Accounts and how insurance coverage passes through agents to the actual owners



We will begin our discussion of ownership categories by looking at changes to insurance coverage for Noninterest-bearing Transaction Accounts under the Dodd-Frank Wall Street Reform and Consumer Protection Act, which was signed into law on July 21, 2010.

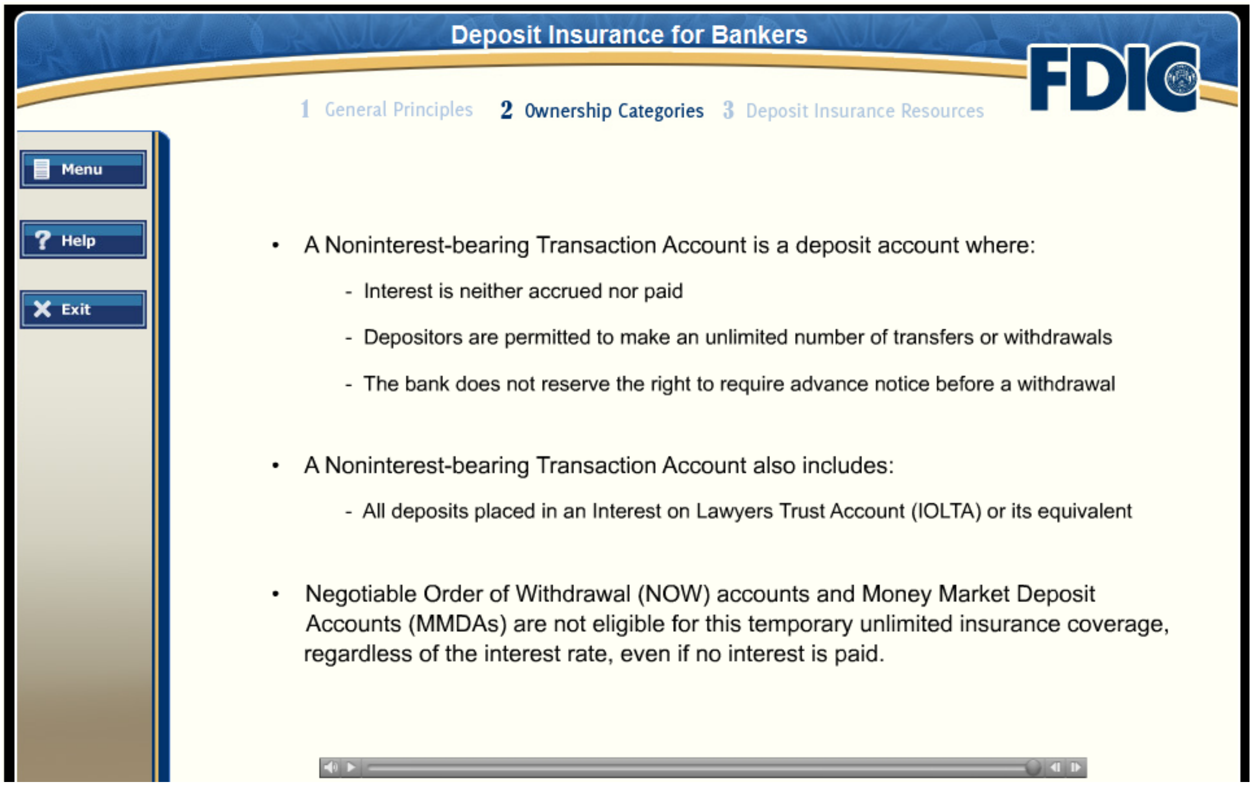
The Dodd-Frank Wall Street Reform and Consumer Protection Act provides separate coverage for Noninterest-bearing Transaction Accounts.

From December 31, 2010, through December 31, 2012 all funds held in Noninterest-bearing Transaction Accounts will be fully insured without limit, regardless of the balance in the account or the ownership of the funds.

This coverage is available to all depositors, including consumers, businesses, and government entities.

This unlimited coverage is separate from, and in addition to, the coverage provided to a depositor's other accounts held at an FDIC-insured bank.

In order to qualify for the temporary unlimited deposit insurance coverage, the account must meet the definition of a "Noninterest-bearing Transaction Account" as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act.

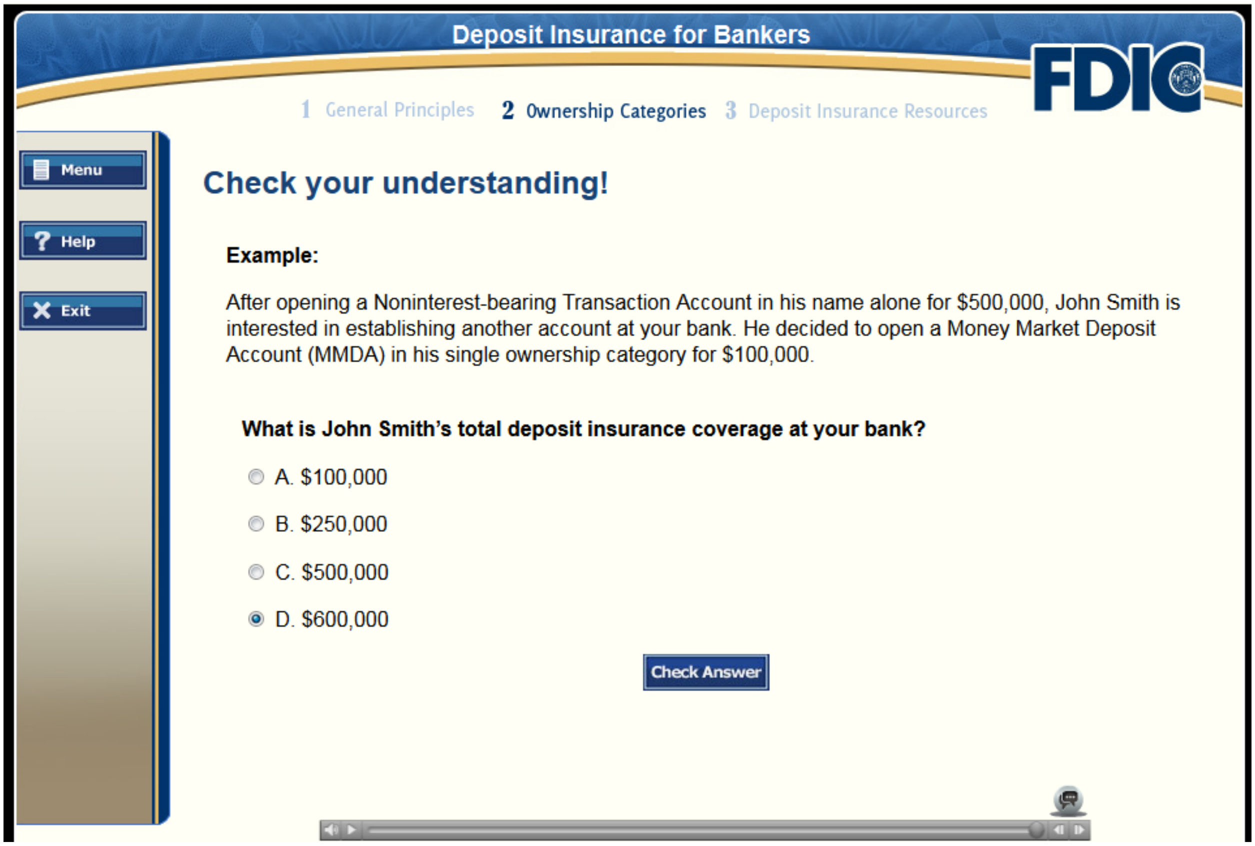


A Noninterest-bearing Transaction Account is an account where:

- Interest is neither accrued nor paid;
- Depositors are permitted to make an unlimited number of transfers or withdrawals and;
- The bank does not reserve the right to require advance notice before an intended withdrawal.

Coverage in the category includes Interest on Lawyer Trust Accounts, also known as (IOLTAs).

It is important to remember that Negotiable Order of Withdrawal or NOW accounts, as well as, Money Market Deposit Accounts or MMDAs, whether they earn interest or not, are not included within the definition of a Noninterest-bearing Transaction Account.

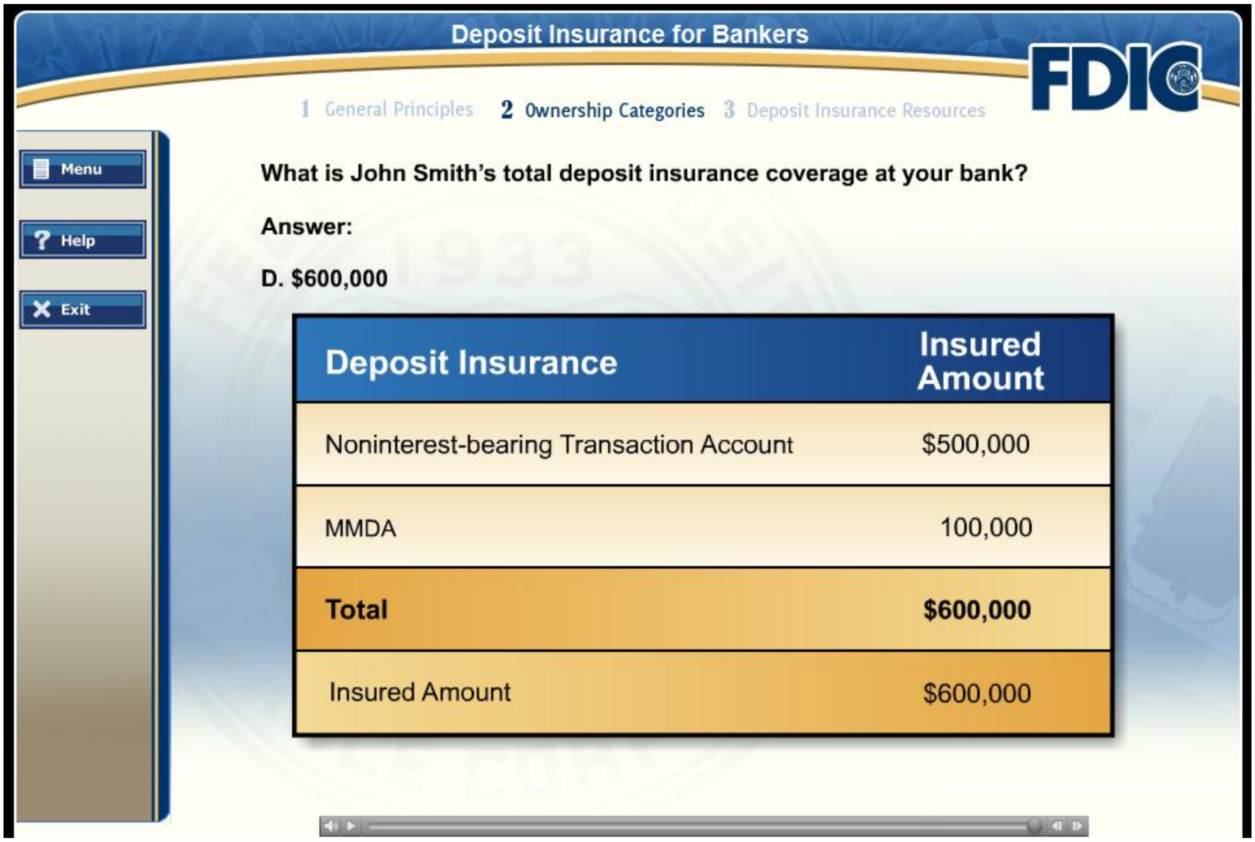


Check Your Understanding!

After opening a Noninterest-bearing Transaction Account in his name alone for $500,000, John Smith is interested in establishing another account at your bank. He decided to open a Money Market Deposit Account (MMDA) in his single ownership category for $100,000.

What is John Smith's total deposit insurance coverage at your bank?

A. $100,000
B. $250,000
C. $500,000
D. $600,000



What is John Smith's total deposit insurance coverage at your bank? The correct answer here is D. $600,000.

The unlimited insurance coverage provided to Noninterest-bearing Transaction Accounts is in addition to and separate from a depositor's other interest-bearing accounts at the same institution.

John Smith's deposit of $500,000 held in the Noninterest-bearing Transaction Account is fully insured under the Dodd-Frank Act through December 31, 2012.

In addition, the deposit in his MMDA for $100,000 in his name alone is also separately insured.

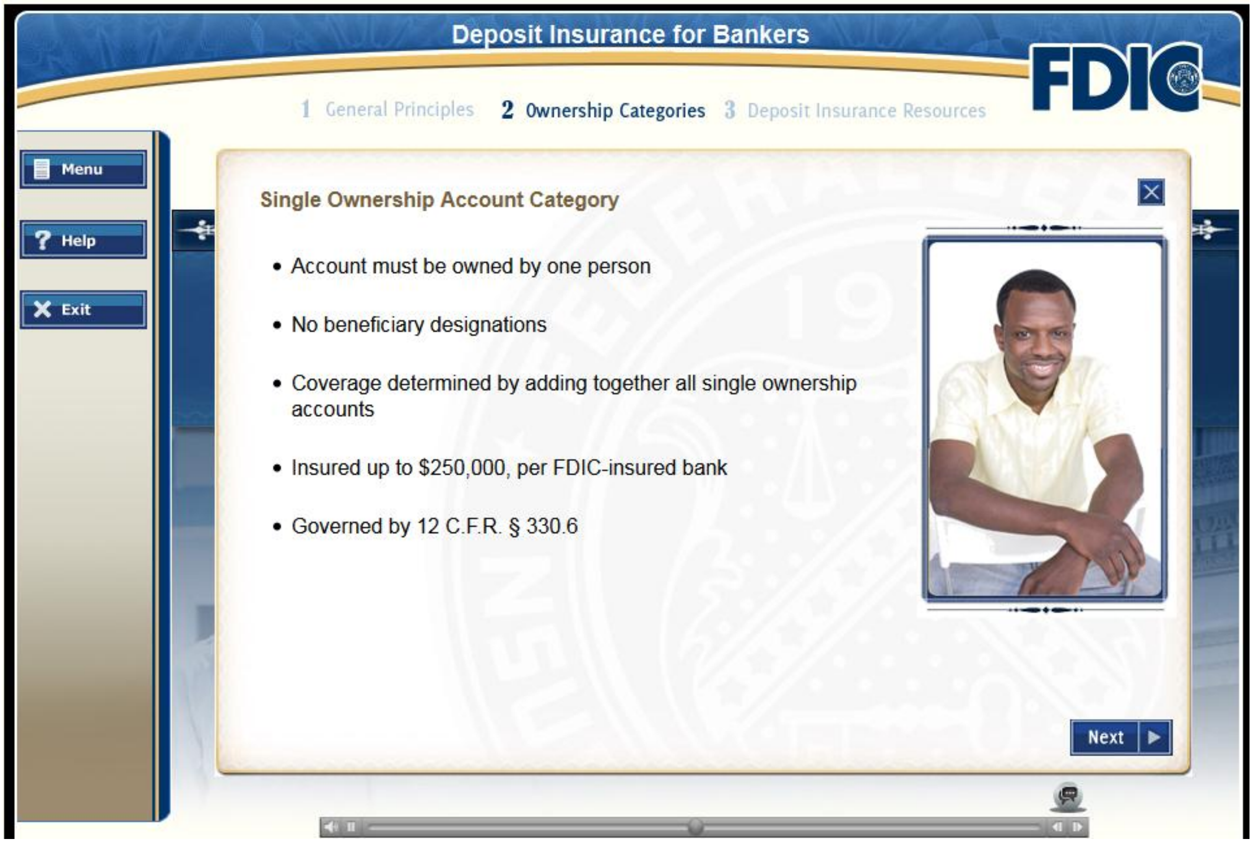
Therefore, John Smith's total deposits of $600,000 are fully insured.

Deposit Insurance	Insured Amount
Noninterest-bearing Transaction Account	$500,000
MMDA	100,000
Total	**$600,000**
Insured Amount	$600,000

Now we will explore the most common account ownership categories applicable to consumers.

There are six Deposit Insurance Consumer Account Ownership Categories:

- Single Ownership
- Joint Ownership
- Revocable Trust Ownership
- Irrevocable Trust Ownership
- Certain Retirement Ownership
- Employee Benefit Plan Ownership



The single ownership account is the most common of the deposit insurance ownership categories. The sole requirement for this category is that the depositor must be a natural person and cannot have any beneficiary designations on the account.

Coverage for each depositor is up to $250,000, for all single accounts owned by the same person at the same FDIC-insured bank.

Please note that if there are beneficiaries designated, then the account will be insured under the revocable trust ownership category.

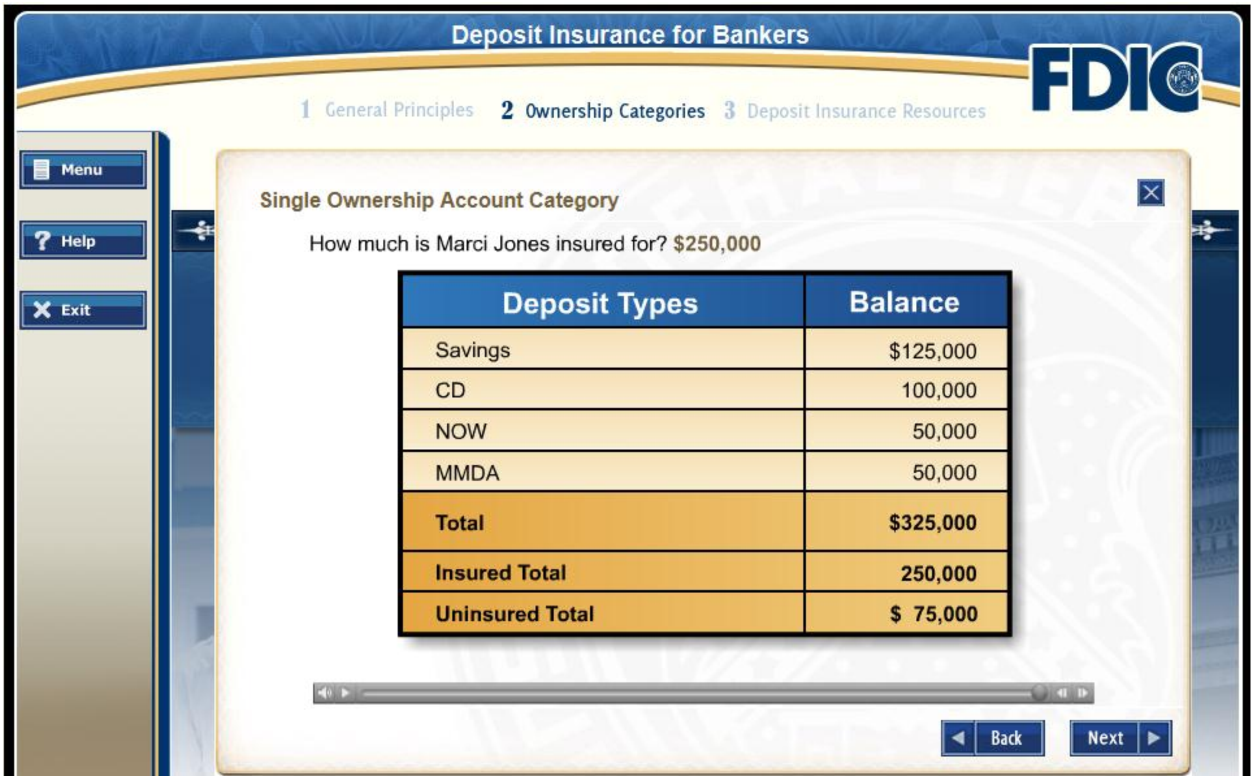
The single ownership account category is governed by 12 C.F.R. Section 330.6.

Check Your Understanding!
Marci Jones has four accounts at your bank:

- Savings account $125,000
- CD $100,000
- NOW account $50,000
- MMDA $50.000

She has not designated beneficiaries on any of these accounts. How much is Marci Jones insured for?

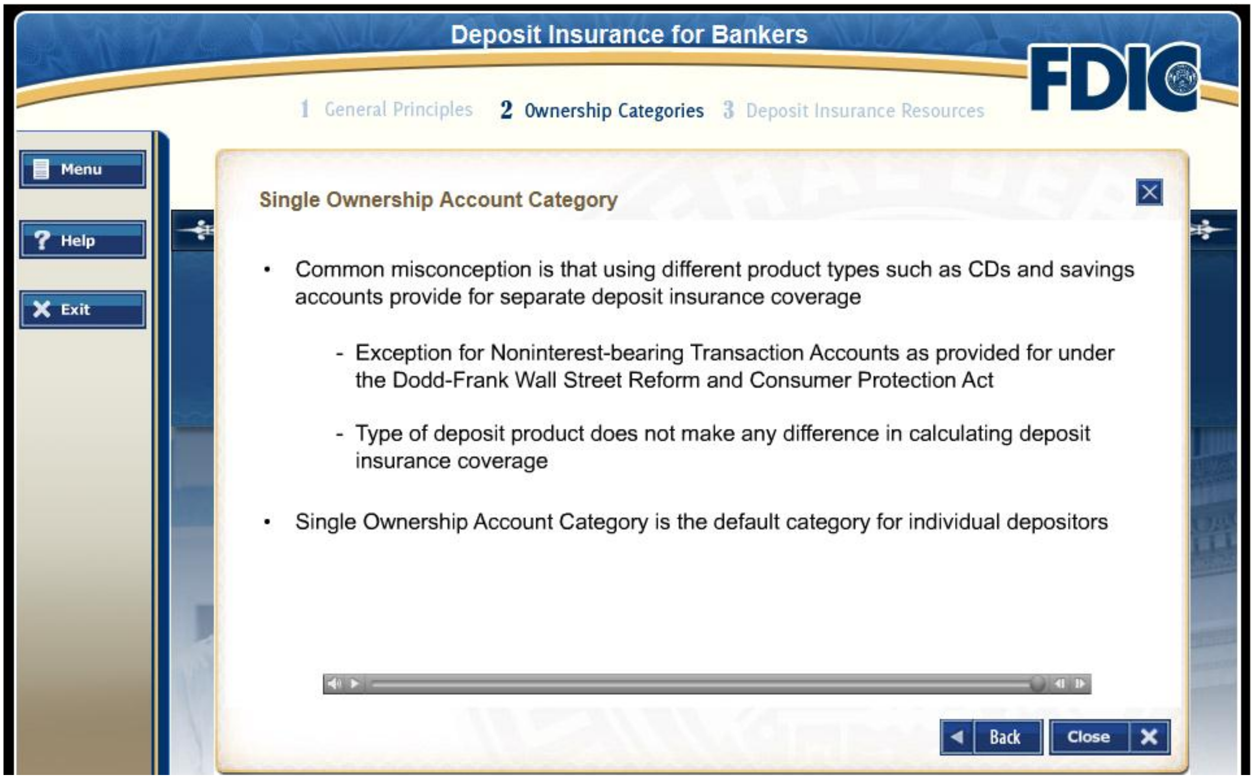
A. $325,000
B. $225,000
C. $250,000
D. $200,000



How much is Marci Jones insured for? $250,000

Marci Jones is the sole owner of the funds and has not named any beneficiaries. A review of her accounts shows a total balance of $325,000 under the single ownership account category. $250,000 is insured and $75,000 is uninsured.

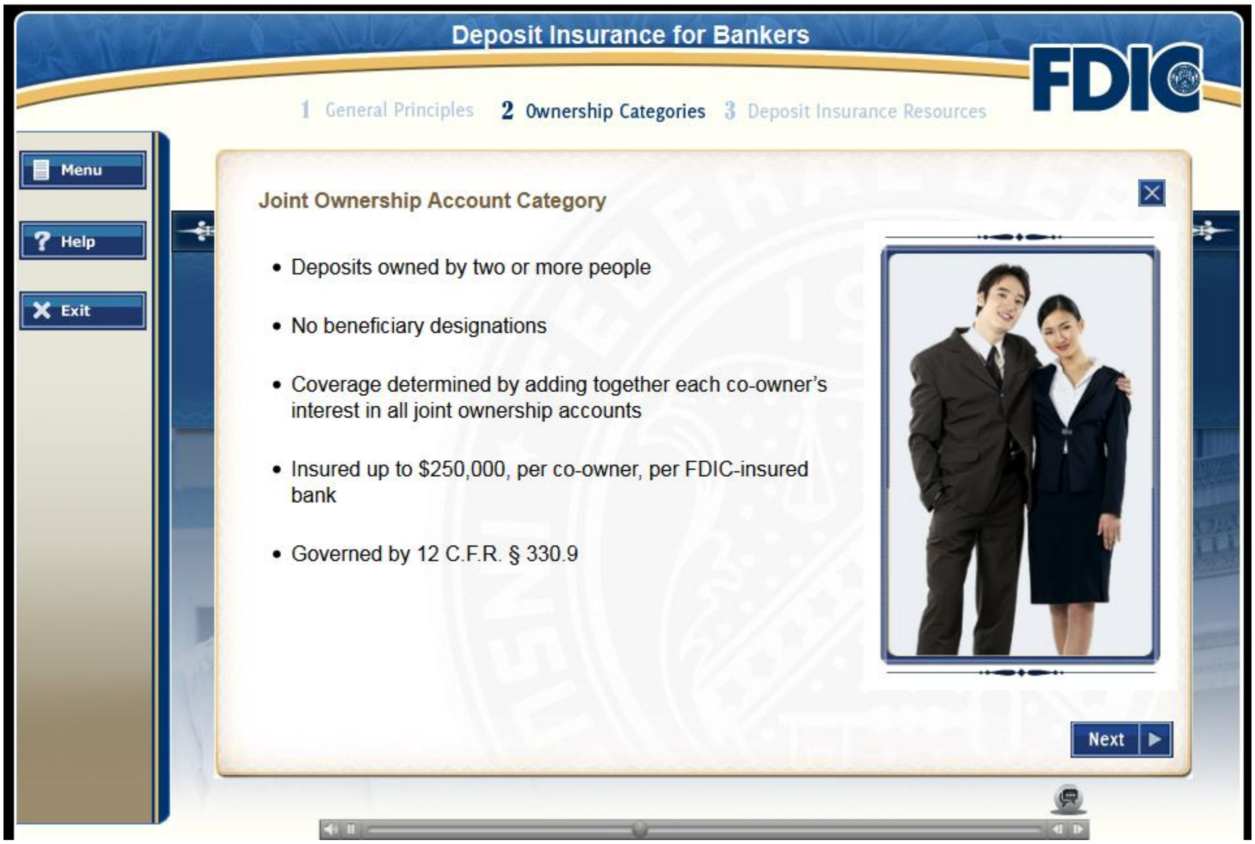
Deposit Types	Balance
Savings	$125,000
CD	100,000
NOW	50,000
MMDA	50,000
Total	**$325,000**
Insured Amount	**250,000**
Uninsured Amount	**$ 75,000**



Based on the inquiries the FDIC receives, a common misconception that depositors have is that using different product types such as CDs and savings accounts provide for separate deposit insurance coverage. Remember, except for Noninterest-bearing Transaction Accounts as provided for under the Dodd-Frank Wall Street Reform and Consumer Protection Act, the type of deposit product does not make any difference in calculating deposit insurance coverage.

Another important thing to remember is the Single Ownership Account Category is the default category for individual depositors.

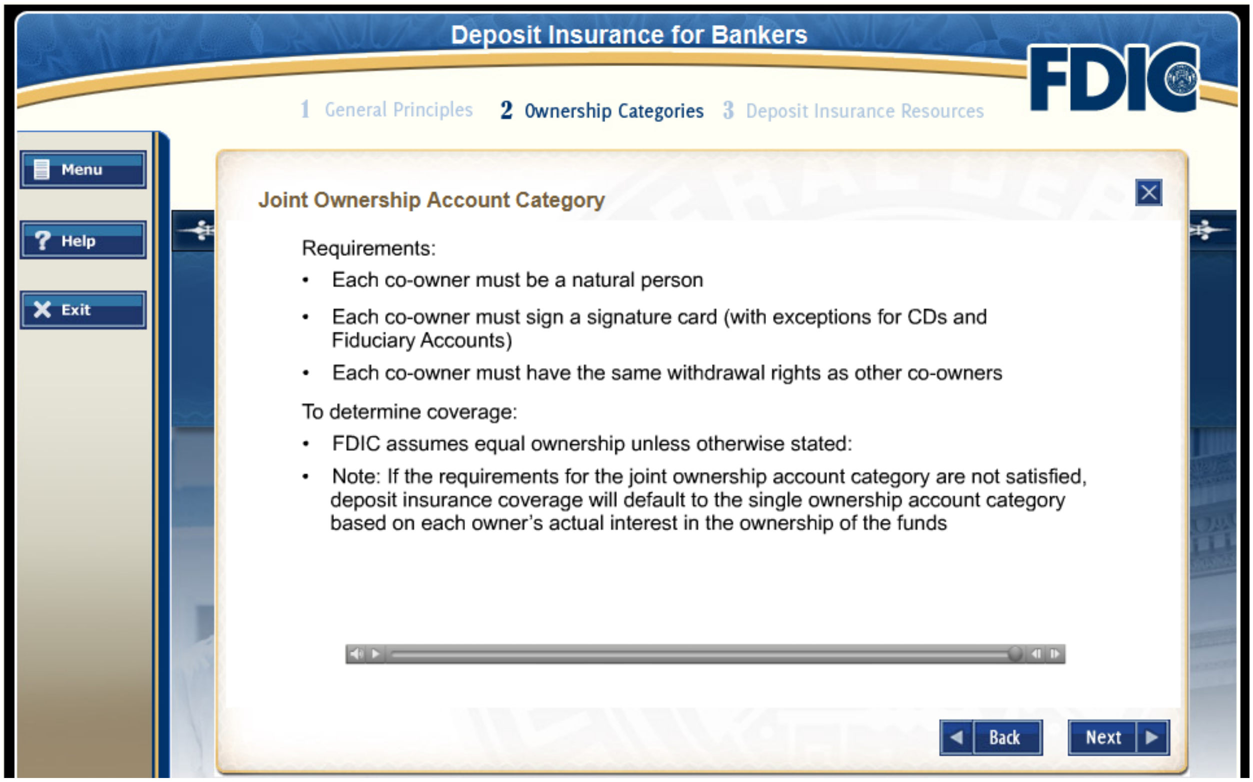
In other words, if an individual depositor cannot meet the requirements of another ownership category, the depositor can still be insured for up to a total of $250,000 under the Single Ownership Account Category.



Joint ownership accounts are deposit accounts owned by two or more people with no beneficiary designations. Coverage is determined by adding together all joint ownership accounts, per person. Each co-owner is insured up to $250,000 per FDIC-insured bank.

Please note that if there are beneficiaries designated, then the account will be insured under the revocable trust ownership category.

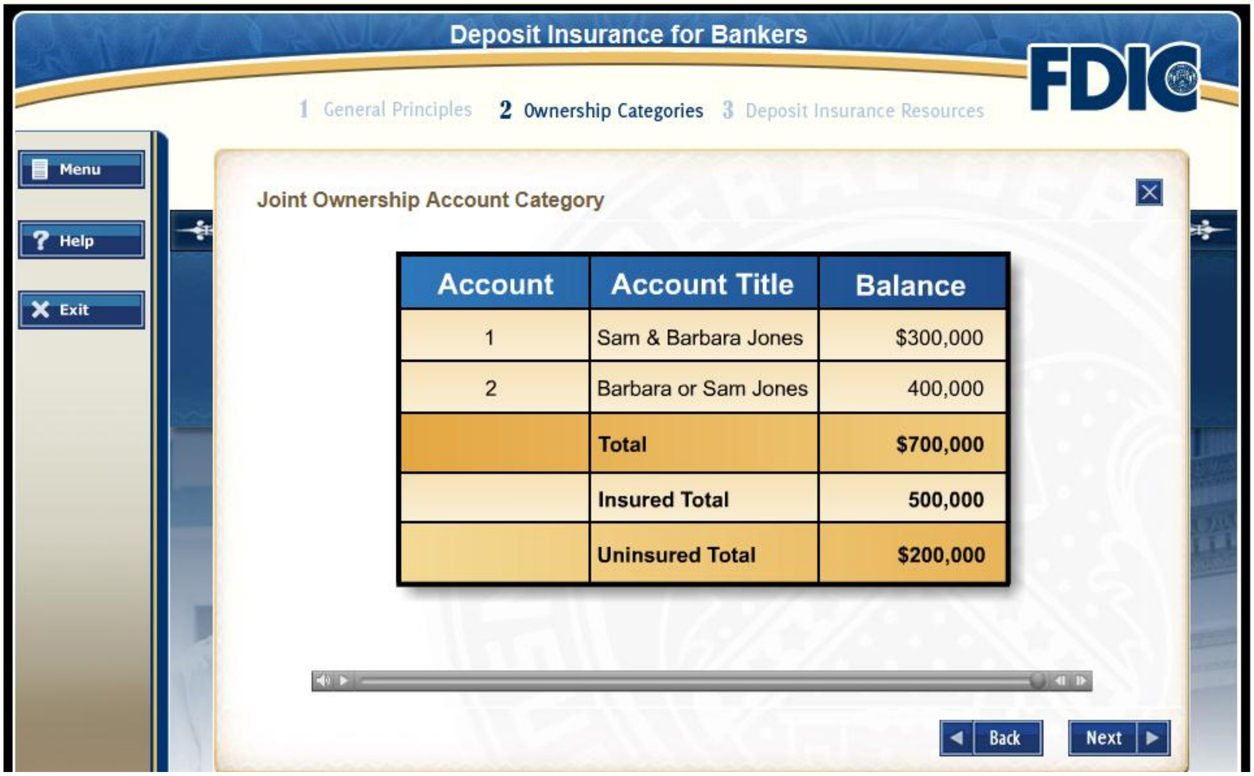
The joint ownership account category is governed by 12 C.F.R. Section 330.9.



There are several requirements associated with joint ownership accounts.

- Each co-owner must be a natural person
- Each co-owner must sign a signature card except for Certificates of Deposit and Fiduciary Accounts
- Each co-owner must have the same withdrawal rights as the other co- owners

In determining coverage, the FDIC assumes account ownership is equal unless otherwise stated. Note that if the requirements for the joint ownership account category are not satisfied, deposit insurance coverage will default to the single ownership account category based on each owner's actual interest in the ownership of the funds.



Account	Account Title	Balance
1	Sam & Barbara Jones	$300,000
2	Barbara or Sam Jones	400,000
	Total	**$700,000**
	Insured Total	**500,000**
	Uninsured Total	**$200,000**

Let’s take a look at an example of insurance coverage for a joint ownership account.

Barbara and Sam Jones open two accounts at different times and deposit the following:

- Account 1: Titled – Sam and Barbara Jones with a balance of $300,000 (The account is opened with Mr. Jones’ SSN)

- Account 2: Titled – Barbara or Sam Jones with a balance of $400,000 (The account is opened with Mrs. Jones’ SSN)

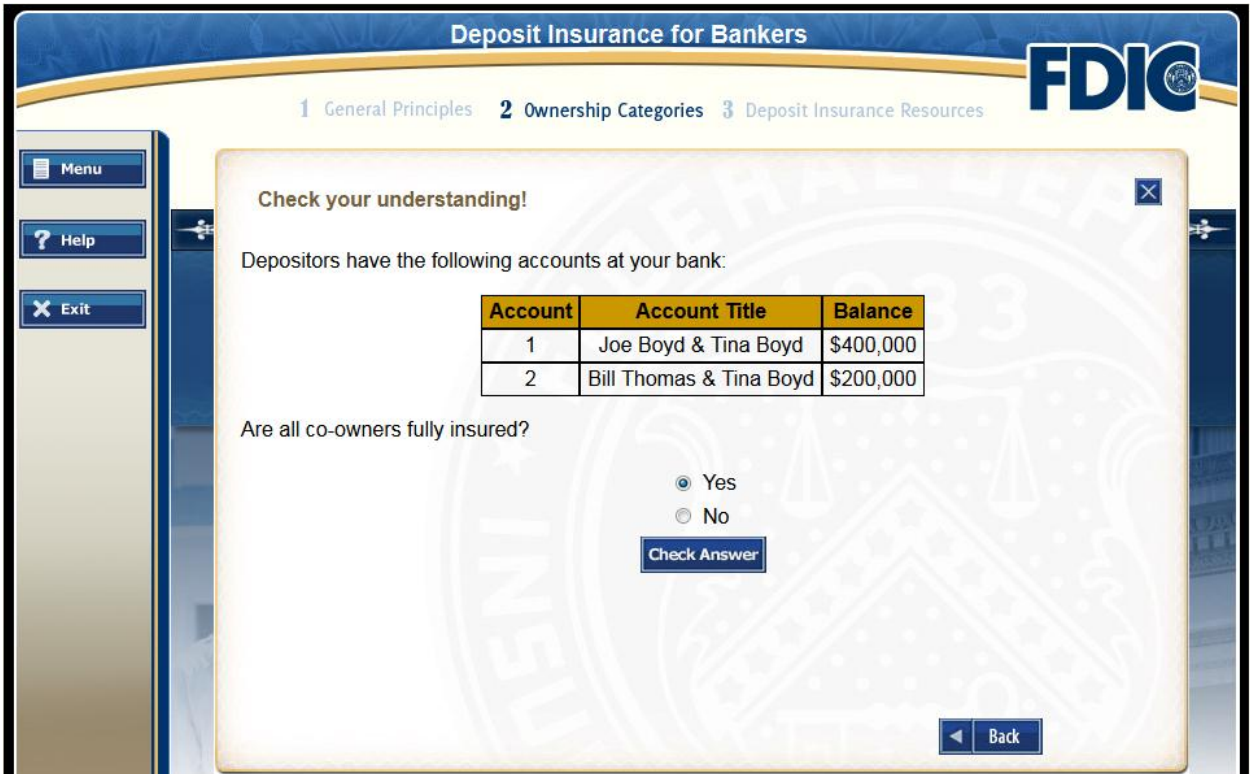
These joint ownership accounts will be added together with a total balance of $700,000.

The use of the following is irrelevant in determining the amount of deposit insurance coverage:

1. Rearranging the names listed on the accounts
2. Substituting “and” for “or” between the names in the account title, and
3. Using different social security numbers

So in this example, each co-owner is entitled to $250,000 of coverage, for a total of $500,000. The remainder of the account balances—$200,000—will be uninsured.

Account	Account Title	Balance
1	Sam & Barbara Jones	$300,000
2	Barbara or Sam Jones	400,000
	Total	**$700,000**
	Insured Amount	**$500,000**
	Uninsured Amount	**$200,000**



Check Your Understanding!

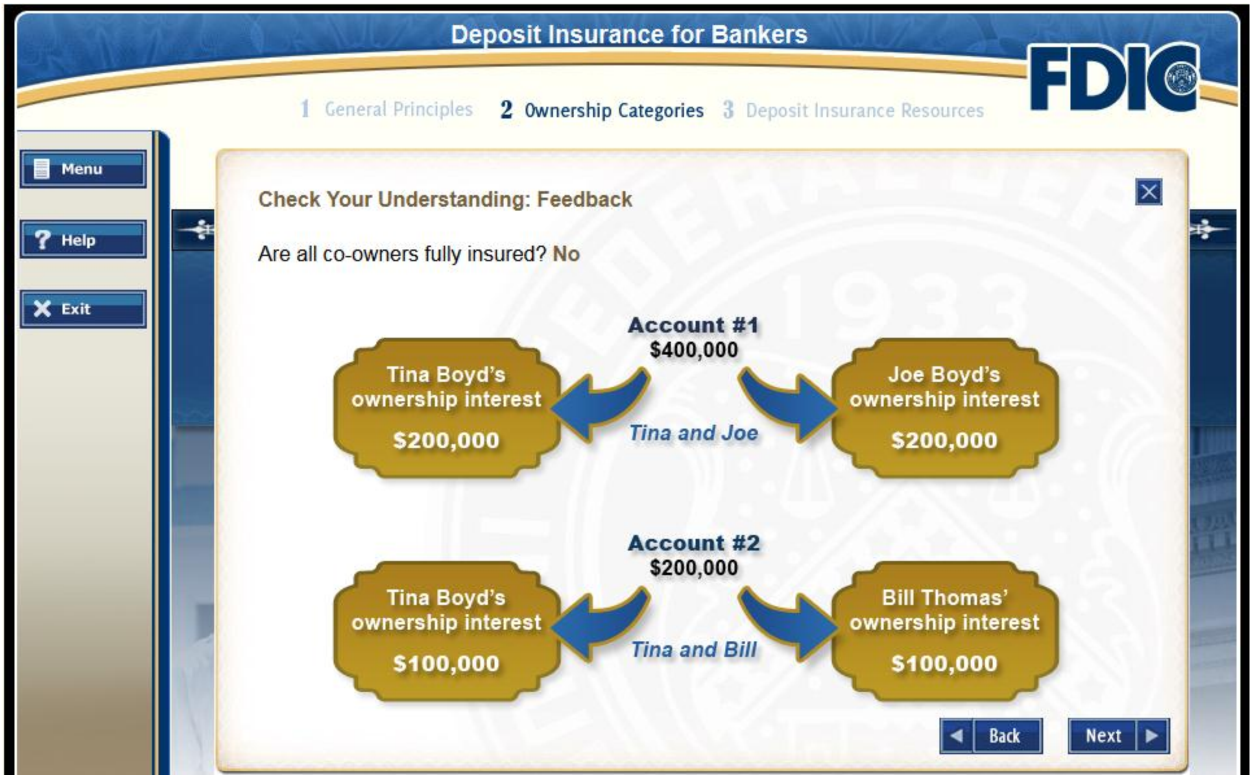
Depositors have the following accounts at your bank:

Account	Account Title	Balance
1	Joe Boyd & Tina Boyd	$400,000
2	Bill Thomas & Tina Boyd	$200,000

Are all co-owners fully insured?

A. Yes

B. No



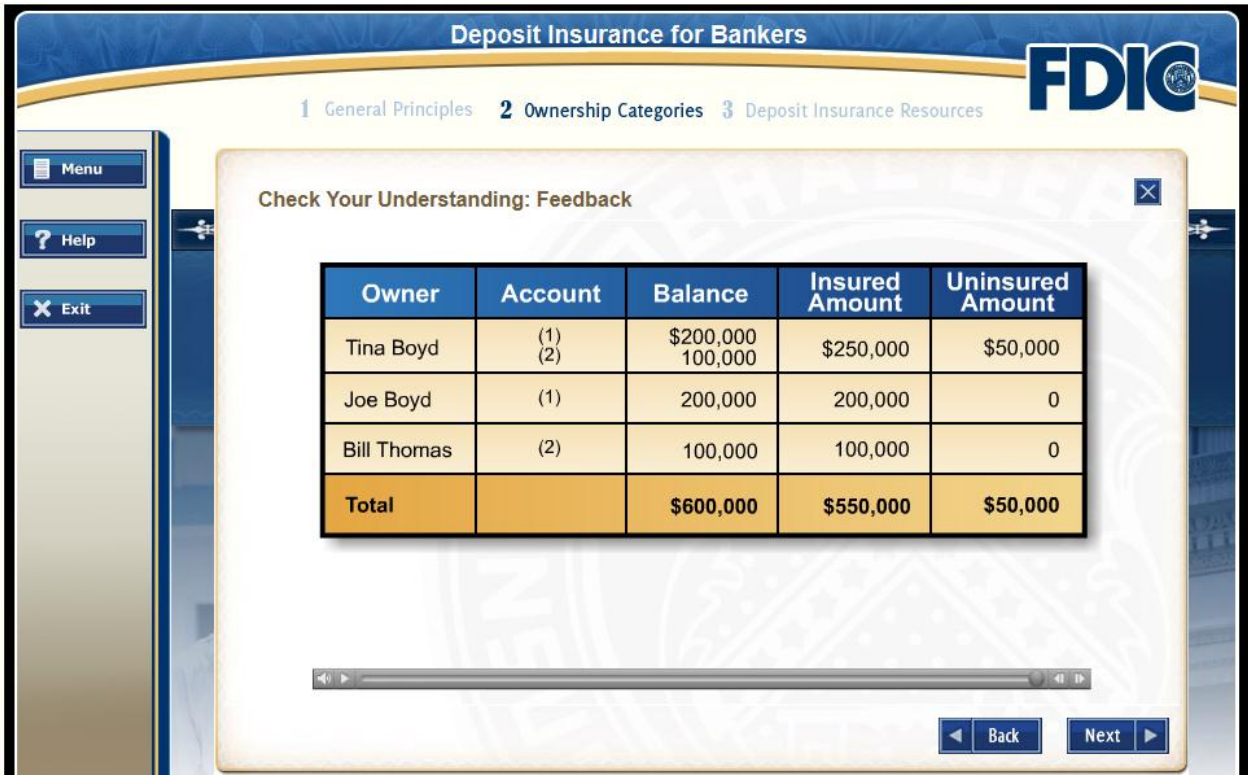
Are all co-owners fully insured? No.

Both Joe and Bill are fully insured; however, Tina is not.

In calculating the amount of deposit insurance coverage, we have to look at each owner's interest in all joint ownership account deposits. Remember, there is a presumption that each person has an equal ownership share of the funds.

When looking at our example, we have Account #1, Tina Boyd and Joe Boyd as the co- owners of the account with a total balance of $400,000. The individual interest for each one is one-half of $400,000, or $200,000 for Tina and $200,000 for Joe.

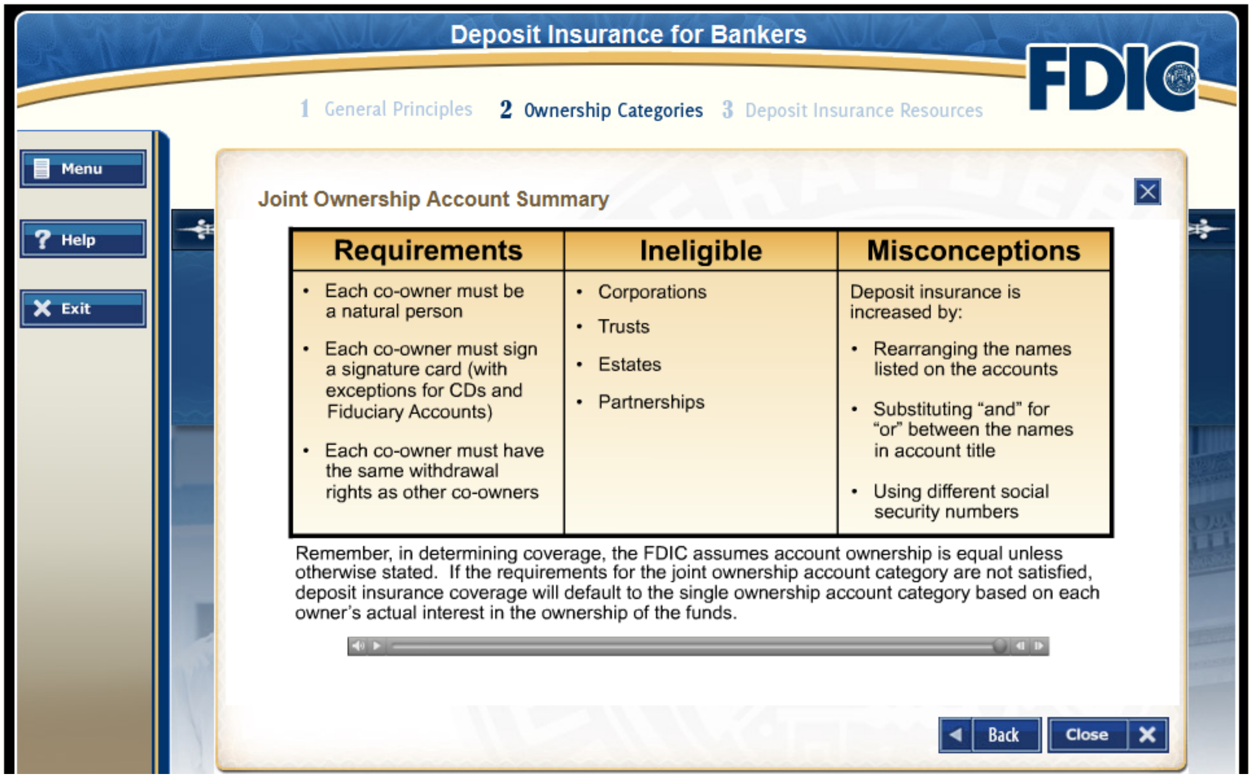
For account #2, the individual interest is one-half of $200,000, or $100,000 for Tina and $100,000 for Bill.



When we add Tina's ownership interests together for both deposit accounts, she has a total of $300,000 in the joint ownership account category and she is insured up to $250,000, with an uninsured amount of $50,000.

Both Joe and Bill's ownership interests are less than $250,000 so they are fully insured.

Owner	Account	Balance	Insured Amount	Uninsured Amount
Tina Boyd	(1) (2)	$200,000 100,000	$250,000	$50,000
Joe Boyd	(1)	200,000	200,000	0
Bill Thomas	(2)	100,000	100,000	0
TOTAL		$600,000	$550,000	$50,000



For joint ownership account coverage, each co-owner must:

- Be a natural person
- Sign a signature card (with exceptions for CDs and Fiduciary Accounts)
- Have the same withdrawal rights as other co-owners

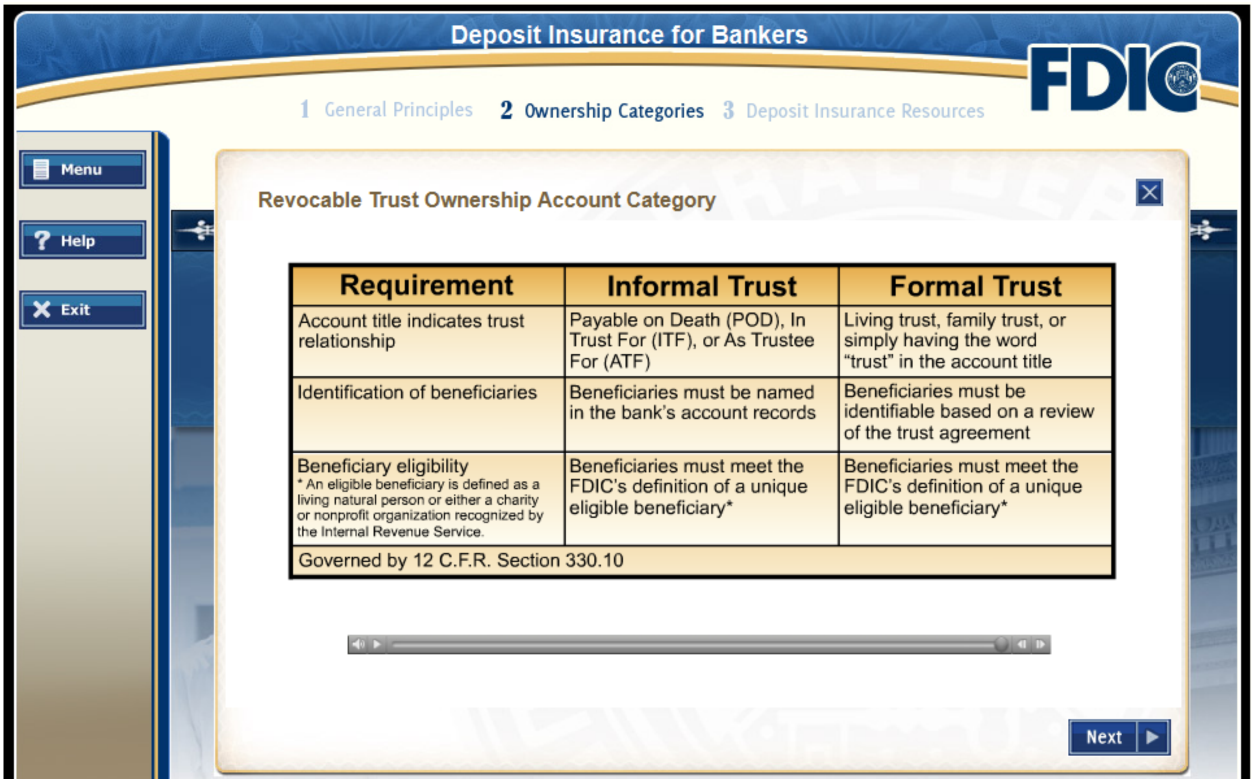
Depositors have erroneously attributed certain entities eligible for joint ownership account coverage. Those entities which are not eligible include:

- Corporations
- Trusts
- Estates
- Partnerships

Based on inquiries, common misconceptions that depositors have with Joint Ownership Accounts are that deposit insurance is increased by:

- Rearranging the names listed on the accounts
- Substituting “and” for “or” in account titles
- Using different social security numbers

Remember, in determining coverage, the FDIC assumes account ownership is equal unless otherwise stated. If the requirements for joint ownership accounts are not satisfied, deposit insurance coverage is calculated based on each owner’s share of the funds.



Requirement	Informal Trust	Formal Trust
Account title indicates trust relationship	Payable on Death (POD), In Trust For (ITF), or As Trustee For (ATF)	Living trust, family trust, or simply having the word "trust" in the account title
Identification of beneficiaries	Beneficiaries must be named in the bank's account records	Beneficiaries must be identifiable based on a review of the trust agreement
Beneficiary eligibility * An eligible beneficiary is defined as a living natural person or either a charity or nonprofit organization recognized by the Internal Revenue Service.	Beneficiaries must meet the FDIC's definition of a unique eligible beneficiary*	Beneficiaries must meet the FDIC's definition of a unique eligible beneficiary*
Governed by 12 C.F.R. Section 330.10		

The FDIC recognizes two forms of revocable trust deposits—Informal and Formal.

An informal revocable trust is created under state law in the bank's records by the owner naming one or more beneficiaries to receive the deposit funds when the owner dies. A formal revocable trust is a written agreement typically drafted by an attorney in which the trust describes the distribution of the trust assets to one or more named beneficiaries upon the trust owner's death. While both types come under the Revocable Trust Ownership Account category, there are some differences in the requirements.

First, the account title at the bank must indicate that the account is held pursuant to a trust relationship.

For an informal revocable trust this can be accomplished by using the terms payable on death (or POD), in trust for (or ITF), as trustee for (or ATF).

For a formal revocable trust the account title requirement can be met by using the terms, living trust, family trust, or any similar language, including simply having the word "trust" in the account title.

The second requirement deals with identification of the beneficiaries.

With an informal revocable trust the beneficiaries must be named in the bank's account records.

With a formal revocable trust, beneficiaries must be identifiable based on a review of the trust agreement. While there is no requirement that the bank be in the possession of the trust agreement, the account title must reflect that the account is linked to a revocable trust.

The third requirement is that the beneficiaries must meet the FDIC's definition of an eligible beneficiary. An eligible beneficiary is defined as a living natural person or either a charity or nonprofit organization recognized by the Internal Revenue Service.

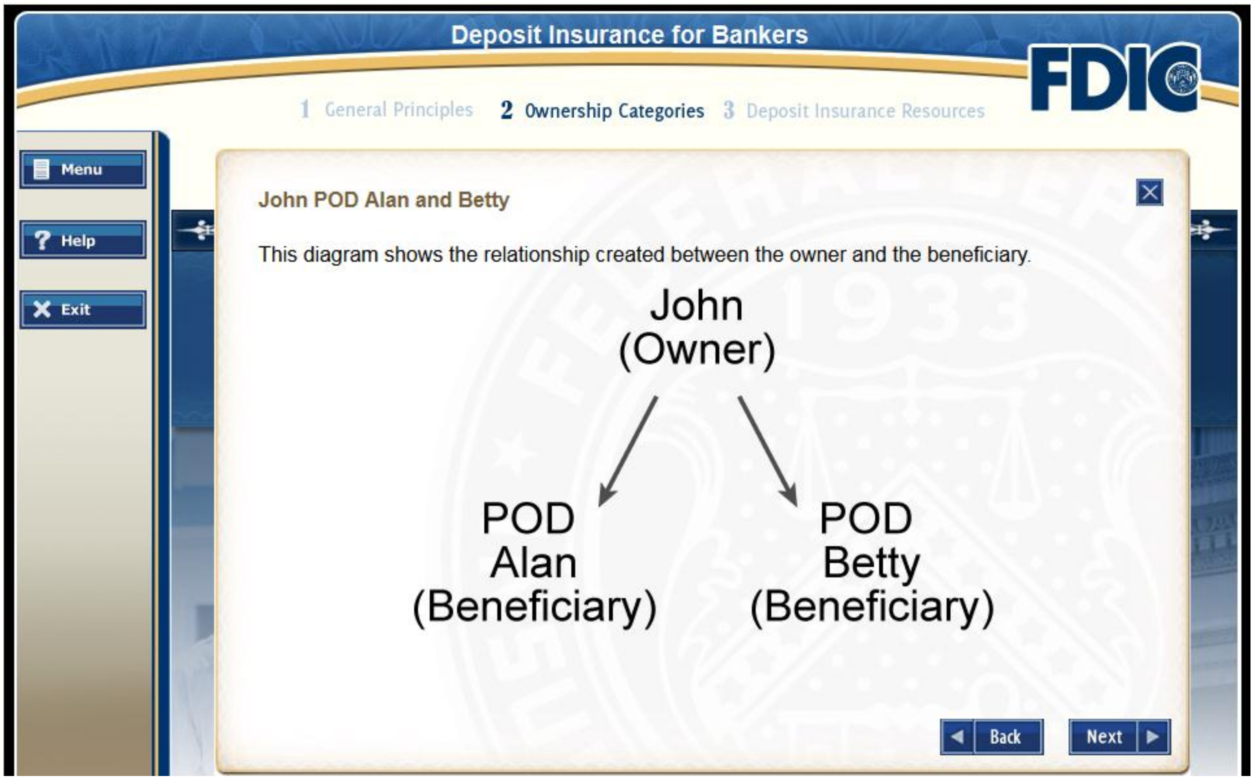
The revocable trust ownership account category is governed by 12 C.F.R. Section 330.10.

When five or fewer beneficiaries are named, the maximum insurable amount is calculated as follows:

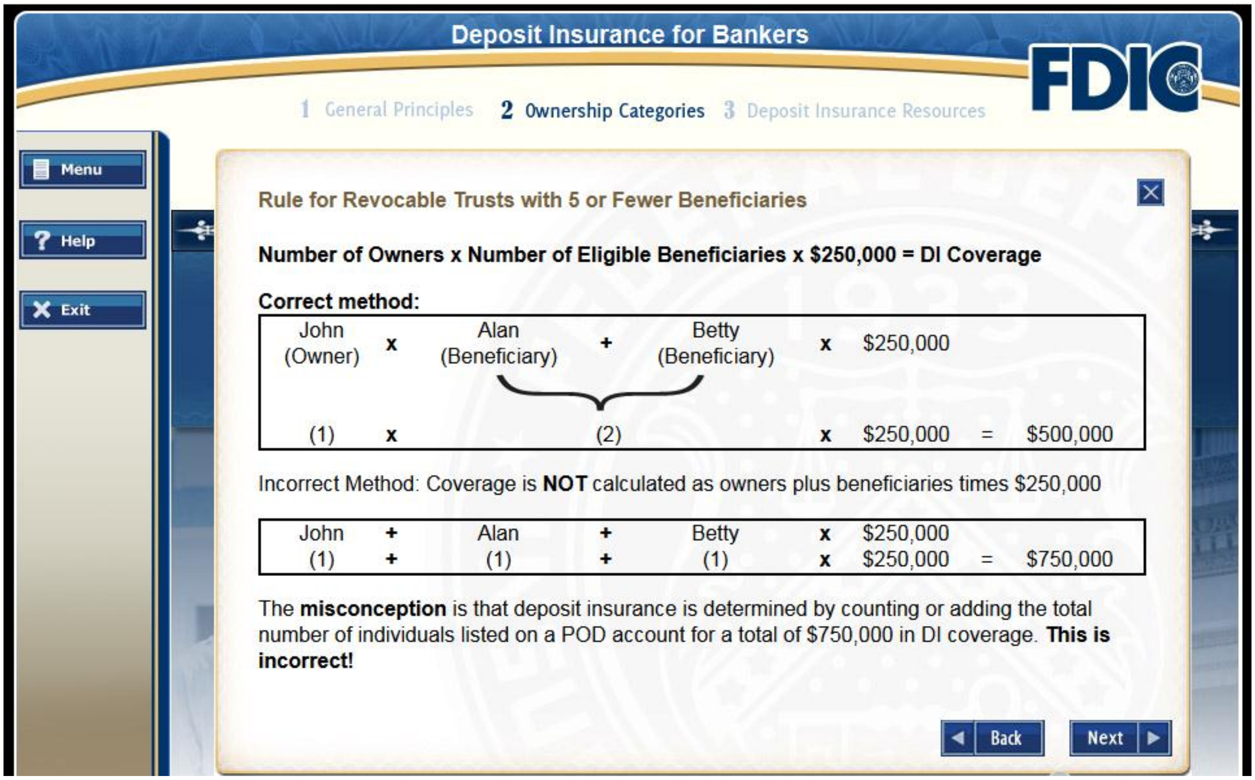
Number of Owners times Number of Eligible Beneficiaries times $250,000 = Deposit Insurance Coverage

In applying the revocable trust calculation there are two issues that need to be considered. The first issue is if the owner has named the same beneficiary on multiple revocable trust deposit accounts, that beneficiary is only counted once in determining the total number of eligible beneficiaries. The second issue is when different beneficiaries have been named by an owner who has established multiple revocable trust deposits at the same bank then the combined allocation interests for all named beneficiaries will be added together. These interests will be combined regardless of whether the deposits are informal trusts deposits, formal trust deposits or a combination of both.

Now, when there are six or more eligible beneficiaries named, the calculation for revocable trust accounts can get complicated. In these situations, call the FDIC at 1-877-275-3342.



Let’s look at some examples. In our first example, let's assume John is opening a POD account at your bank naming his son Alan and daughter Betty as beneficiaries. Assuming this is the only revocable trust account the father has at your bank, what is the maximum insurable amount of deposit insurance coverage for this deposit?



The answer here is $500,000. According to the rule, with John as the owner naming two beneficiaries, we multiply one owner times two eligible beneficiaries times $250,000 for a total of $500,000 in deposit insurance coverage.

Correct Method:

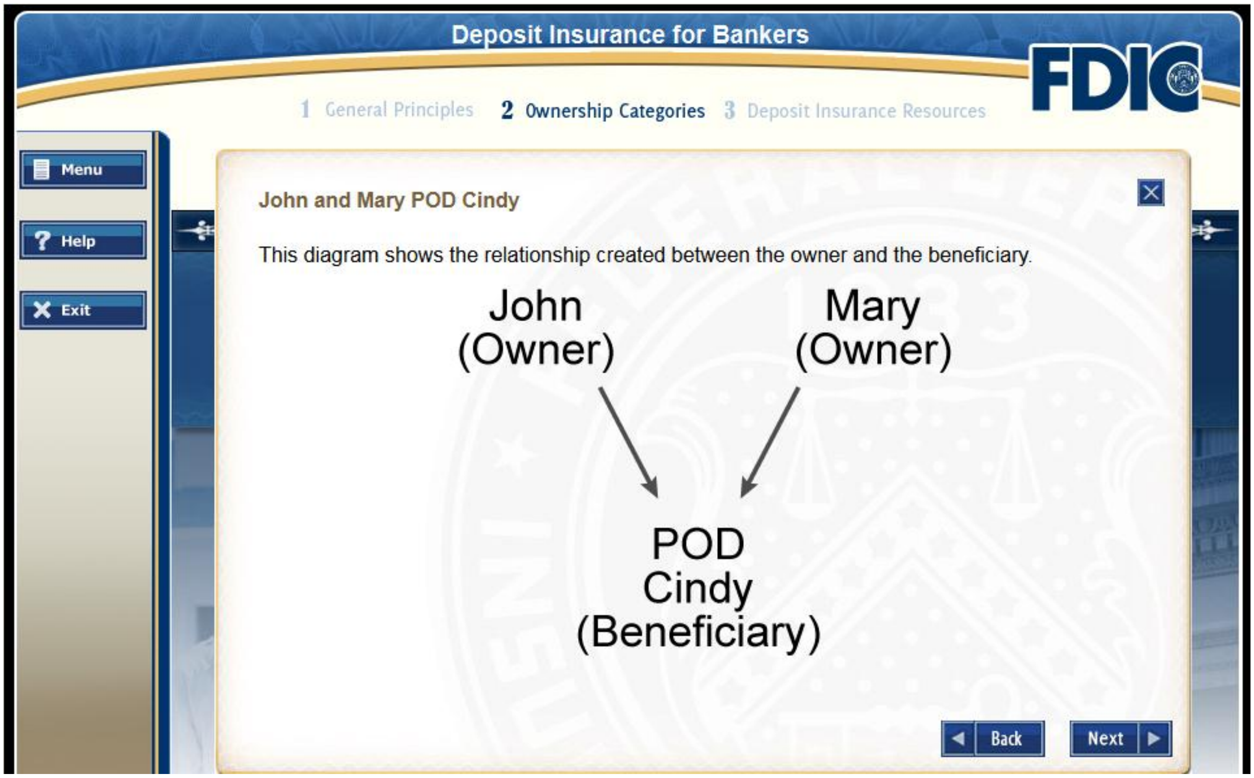
John **x** Alan **+** Betty **x** $250,000
(Owner) (Beneficiary) (Beneficiary)

(1) **x** (2) **x** $250,000 = $500,000

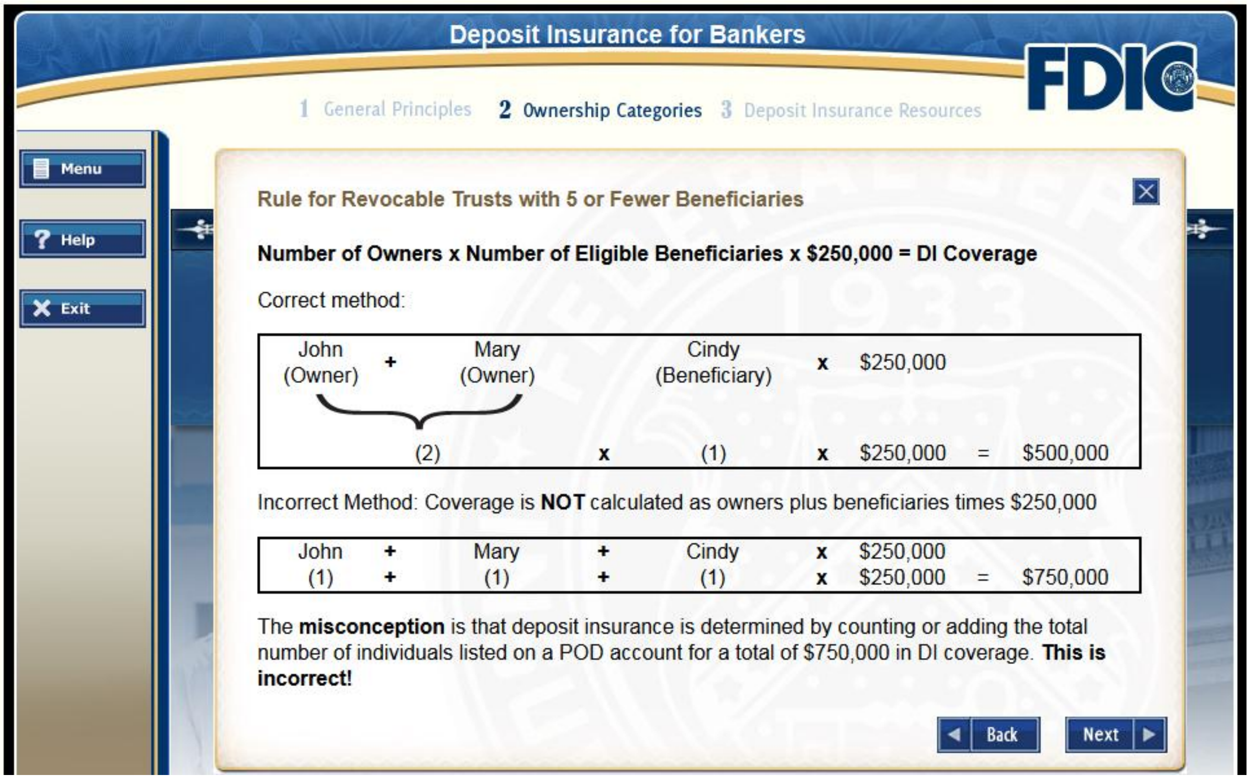
Please note that a misunderstanding we hear in calculating FDIC deposit insurance coverage is the depositor wants to allow $250,000 for the father, plus $250,000 for the son plus $250,000 for the daughter for a total of $750,000 of coverage. This is incorrect.

Incorrect Method:

John + Alan + Betty **x** $250,000
(1) + (1) + (1) **x** $250,000 = $750,000



In the next example, let's assume a husband and wife, John and Mary are opening a POD account naming their daughter Cindy as the beneficiary. What is the maximum insurable amount of deposit insurance coverage for this account?



The answer here is $500,000. With two owners and one beneficiary, we multiply two owners times one beneficiary times $250,000 for a total of $500,000 in deposit insurance coverage.

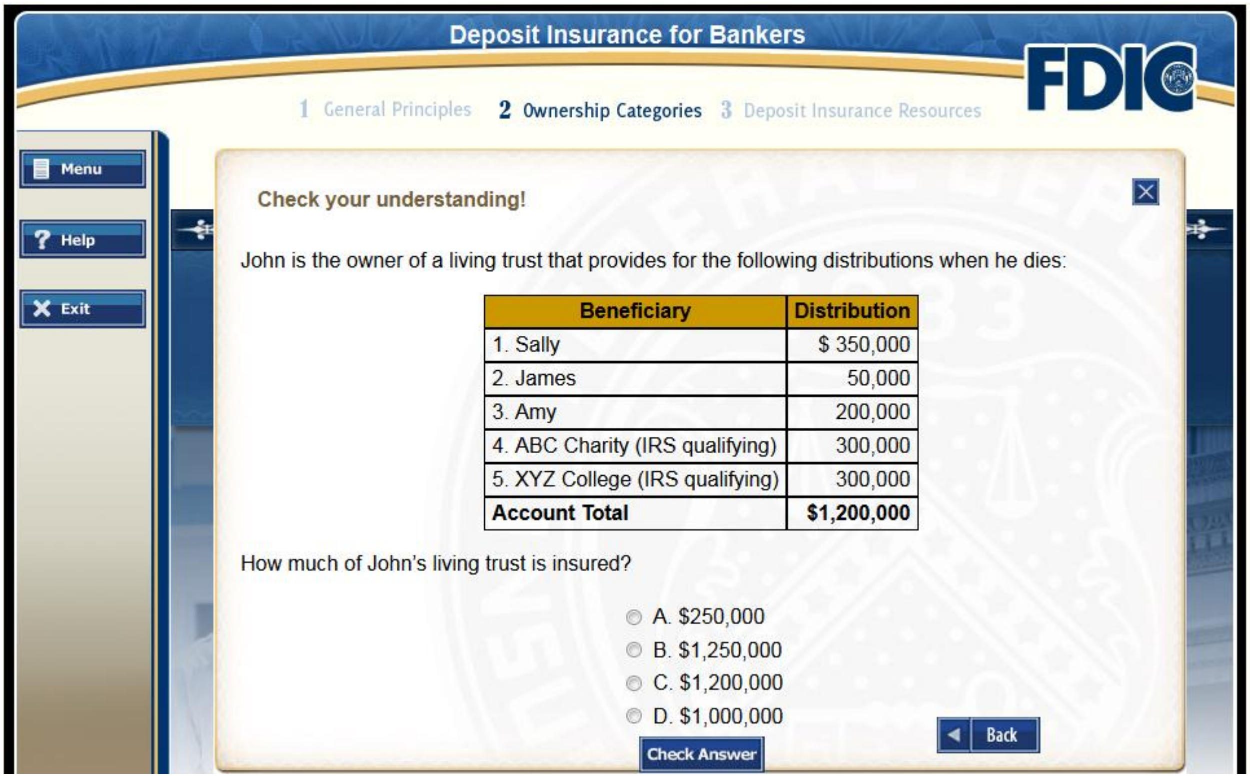
Correct Method:

John **+** Mary	**x** Cindy	**x**	$250,000
(Owner) (Owner)	(Beneficiary)		
(2)	**x** (1)	**x**	$250,000 = $500,000

It would be incorrect to allow $250,000 for John plus $250,000 for Mary plus $250,000 for Cindy for a total of $750,000.

Incorrect Method:

John **+** Mary **+** Cindy	**x**	$250,000
(1) **+** (1) **+** (1)	**x**	$250,000 = $750,000



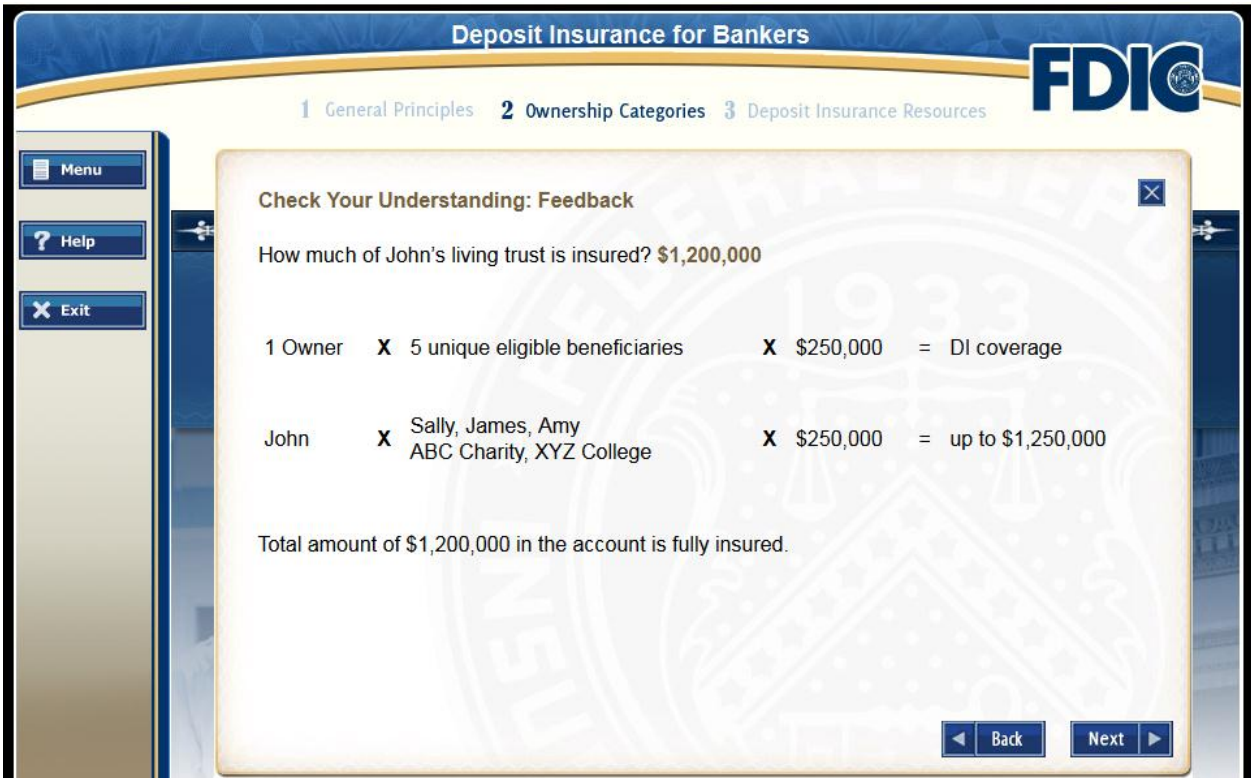
Check Your Understanding!

John is the owner of a living trust that provides for the following distributions when he dies:

Beneficiary	Distribution
1. Sally	$ 350,000
2. James	50,000
3. Amy	200,000
4. ABC Charity (IRS qualifying)	300,000
5. XYZ College (IRS qualifying)	300,000
Account Total	**$1,200,000**

How much of John's living trust is insured?

A. $ 250,000
B. $1,250,000
C. $1,200,000
D. $1,000,000



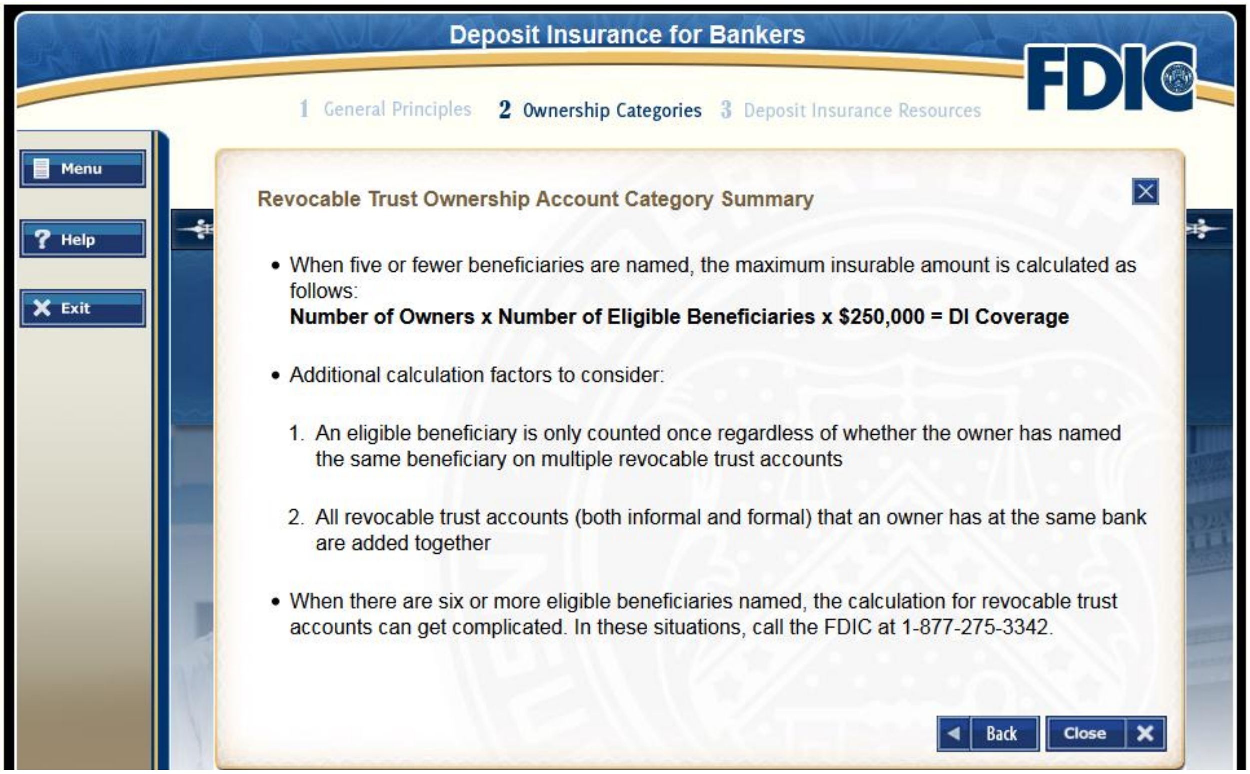
How much of John's living trust is insured? $1,200,000

For five or fewer beneficiaries on a Revocable Trust Account, the maximum coverage is $250,000 per owner, per beneficiary.

Since the number of beneficiaries is five or less, coverage is calculated as follows:

1 owner times 5 eligible beneficiaries times $250,000 = up to $1.25 million

Therefore, the balance of $1,200,000 is fully insured.



In summary, when five or fewer beneficiaries are named, the maximum insurable amount is calculated as follows:

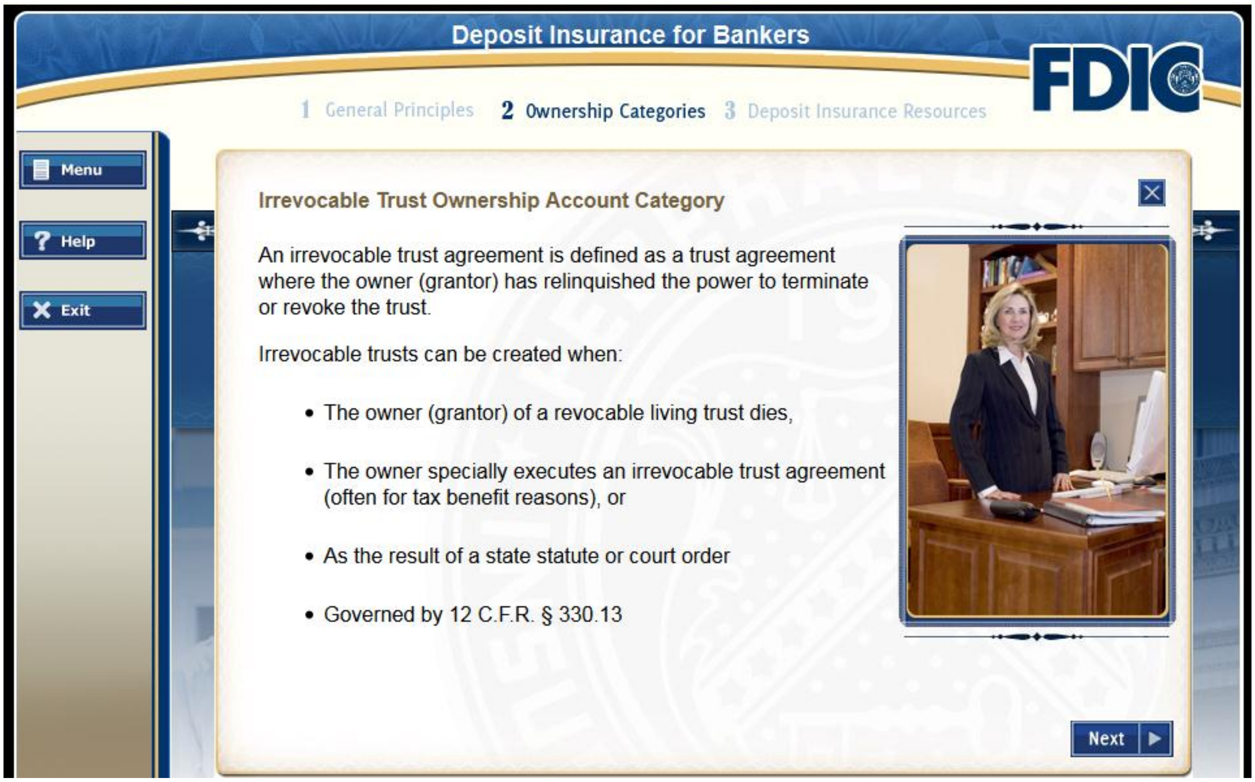
Number of Owners times Number of Eligible Beneficiaries times $250,000 = Deposit Insurance Coverage

Additional calculation factors to consider are:

One - An eligible beneficiary is only counted once regardless of whether the owner has named the same beneficiary on multiple revocable trust accounts, and

Two - All revocable trust accounts (both informal and formal) that an owner has at the same bank are added together

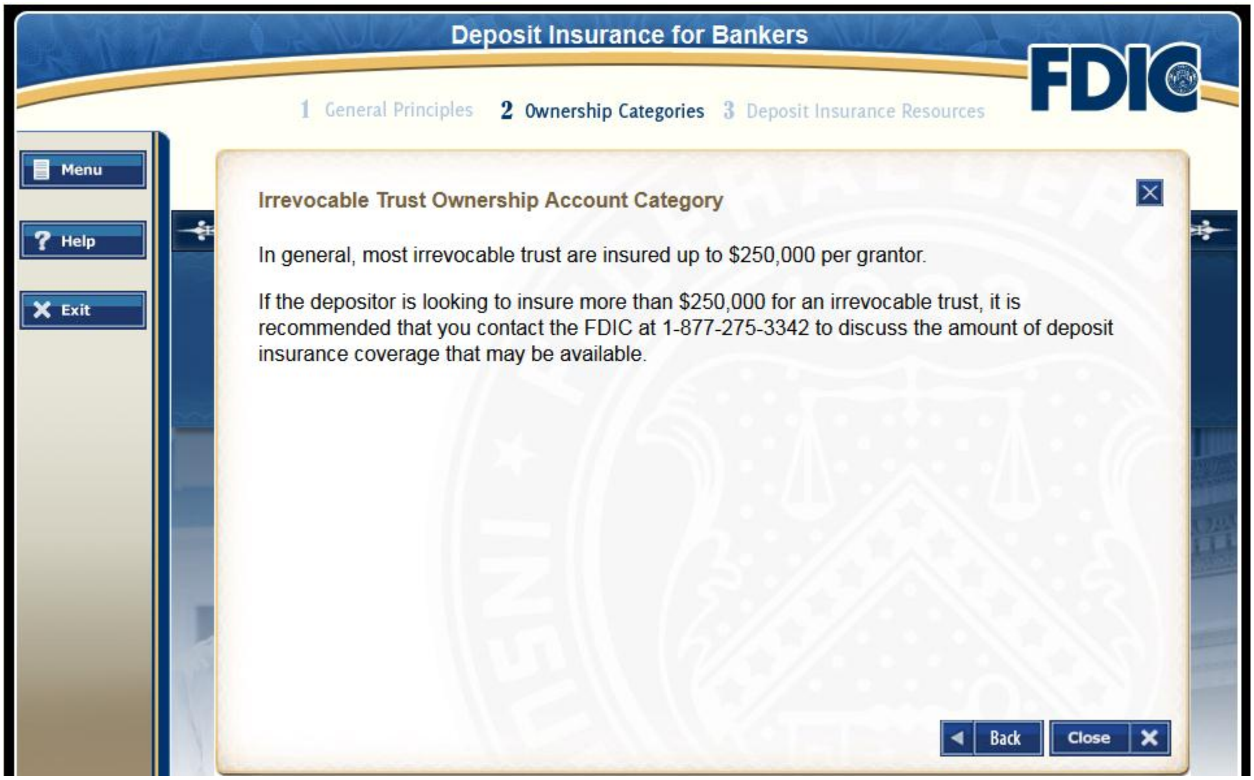
Now, when there are six or more eligible beneficiaries named, the calculation for revocable trust accounts can get complicated. In these situations, call the FDIC at 1-877- 275-3342.



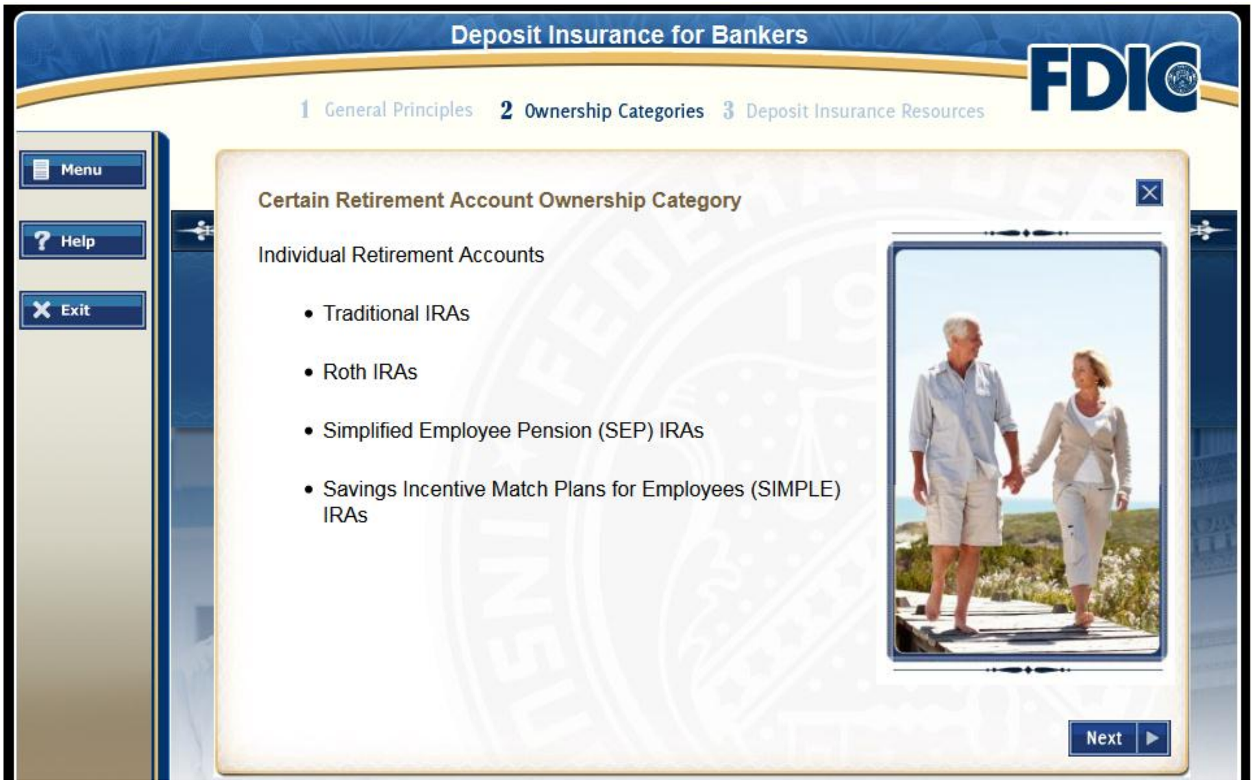
The FDIC defines an irrevocable trust agreement as a trust agreement where the owner or grantor has relinquished the power to terminate or revoke the trust.

Irrevocable trusts can be created when the owner or the grantor of a revocable living trust has died, the owner or grantor has specifically decided to execute an irrevocable trust agreement - often for tax benefit reasons, or as the result of a state statute or court order.

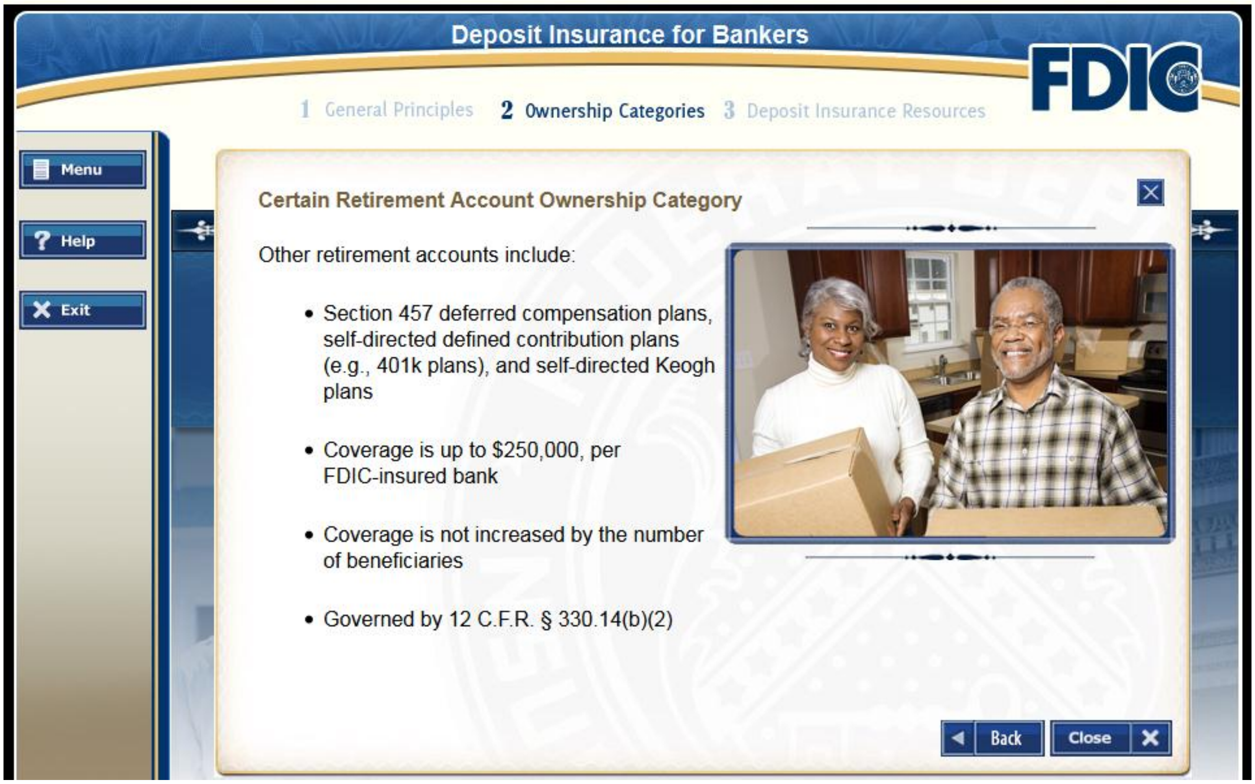
The irrevocable trust ownership account category is governed by 12 C.F.R. Section 330.13.



In general, most irrevocable trusts are insured up to $250,000 per grantor. If the depositor is looking to insure more than $250,000 for an irrevocable trust, it is recommended that you contact the FDIC at 1-877-275-3342 to discuss the amount of deposit insurance coverage that may be available.



Certain Retirement Accounts include Individual Retirement Accounts such as Traditional IRAs, Roth IRAs, Simplified Employee Pension (SEP) IRAs, and Savings Incentive Match Plans for Employees (SIMPLE) IRAs.



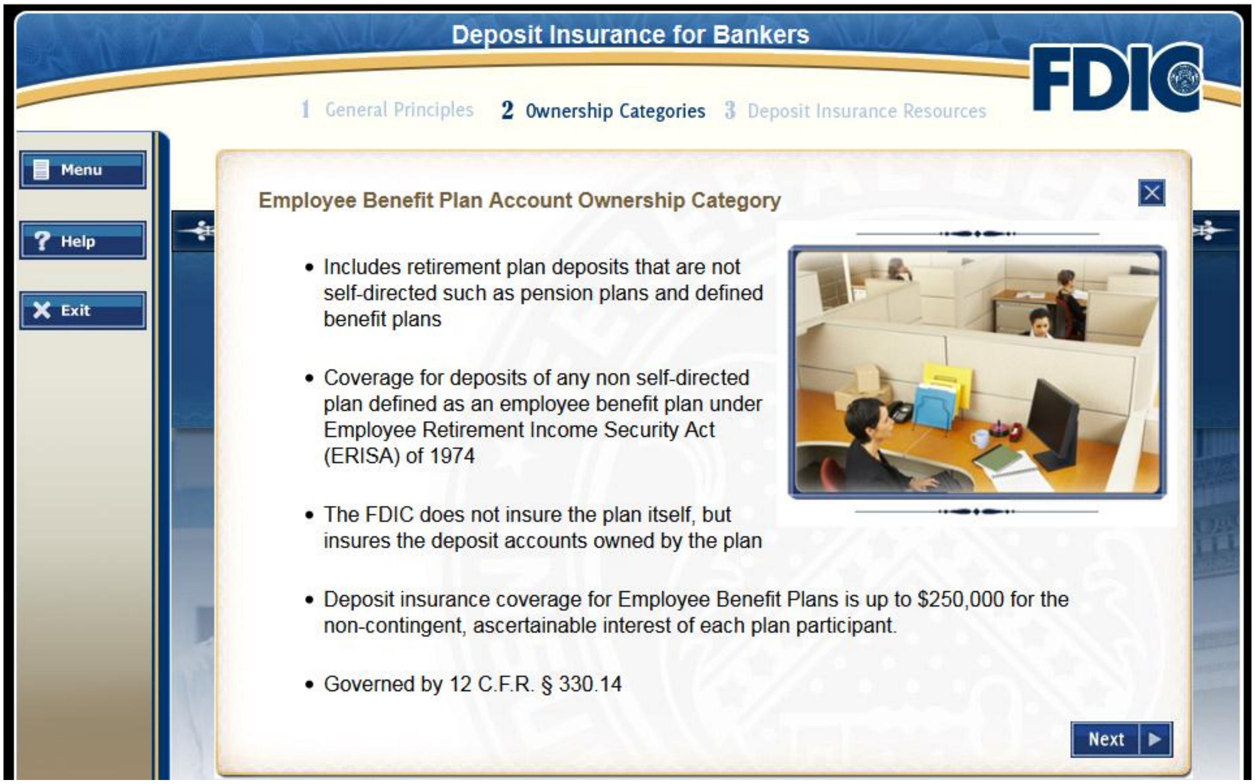
Other retirement accounts that qualify under this category include Section 457 plans, both self-directed and non self-directed, as well as deferred compensation plan accounts (whether or not they are self-directed), self- directed defined contribution plan accounts (primarily 401k plans), and self- directed Keogh plan accounts are also insured under this ownership category.

A Self-Directed Retirement Account is a retirement account for which the owner, not a plan administrator, has the right to direct how the funds are invested, including the ability to direct that the funds be deposited at a specific FDIC-insured bank.

Coverage is up to a maximum of $250,000 for all deposits owned by a depositor under the Certain Retirement Account Category per FDIC-insured bank.

While some self-directed retirement accounts, like IRAs, permit the owner to name one or more beneficiaries, the existence of beneficiaries does not increase coverage.

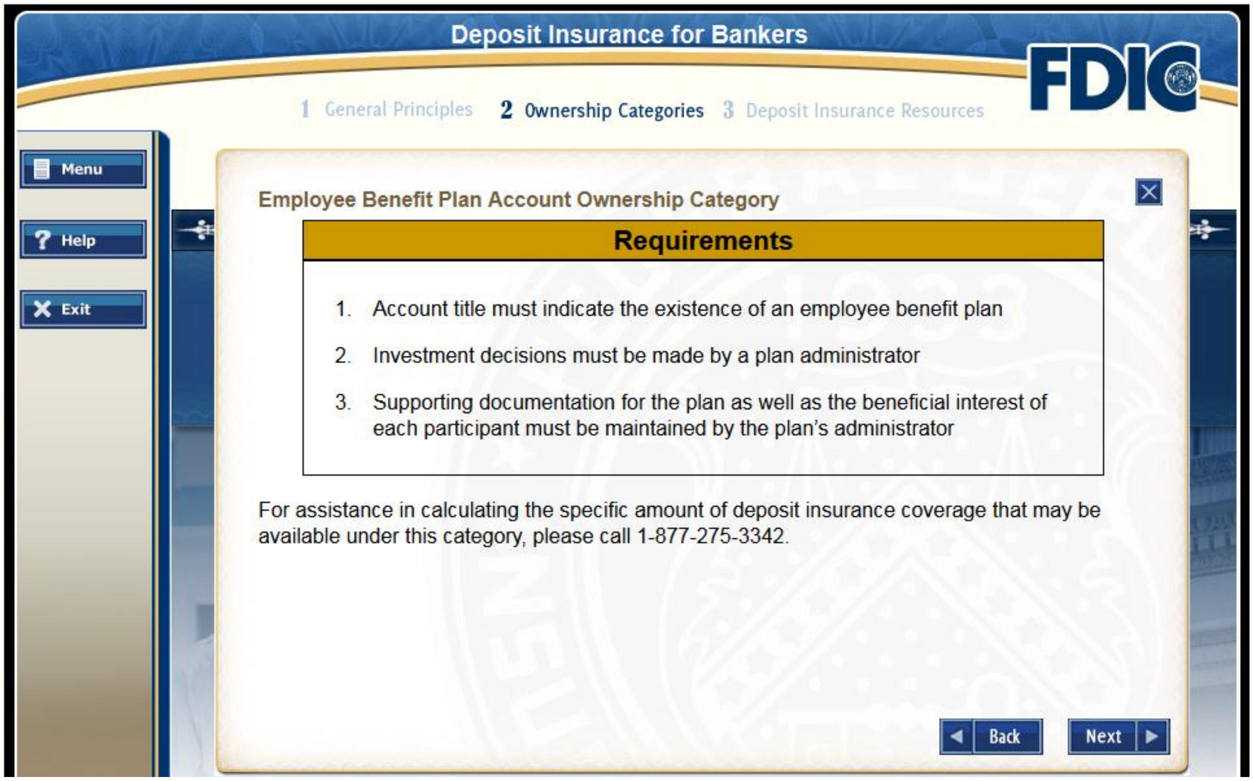
The certain retirement account ownership category is governed by 12 C.F.R. Section 330.14(b)(2).



The employee benefit plan account category includes retirement plan deposits that are not self-directed and therefore do not qualify under the certain retirement account category. For example, all defined benefit plans are considered as non self-directed plans. Please understand that the FDIC does not insure the plan itself, but insures the deposit accounts owned by the plan.

Deposit insurance coverage for Employee Benefit Plans is up to $250,000 for the non-contingent, ascertainable interest of each plan participant.

The employee benefit plan account ownership category is governed by 12 C.F.R. Section 330.14.



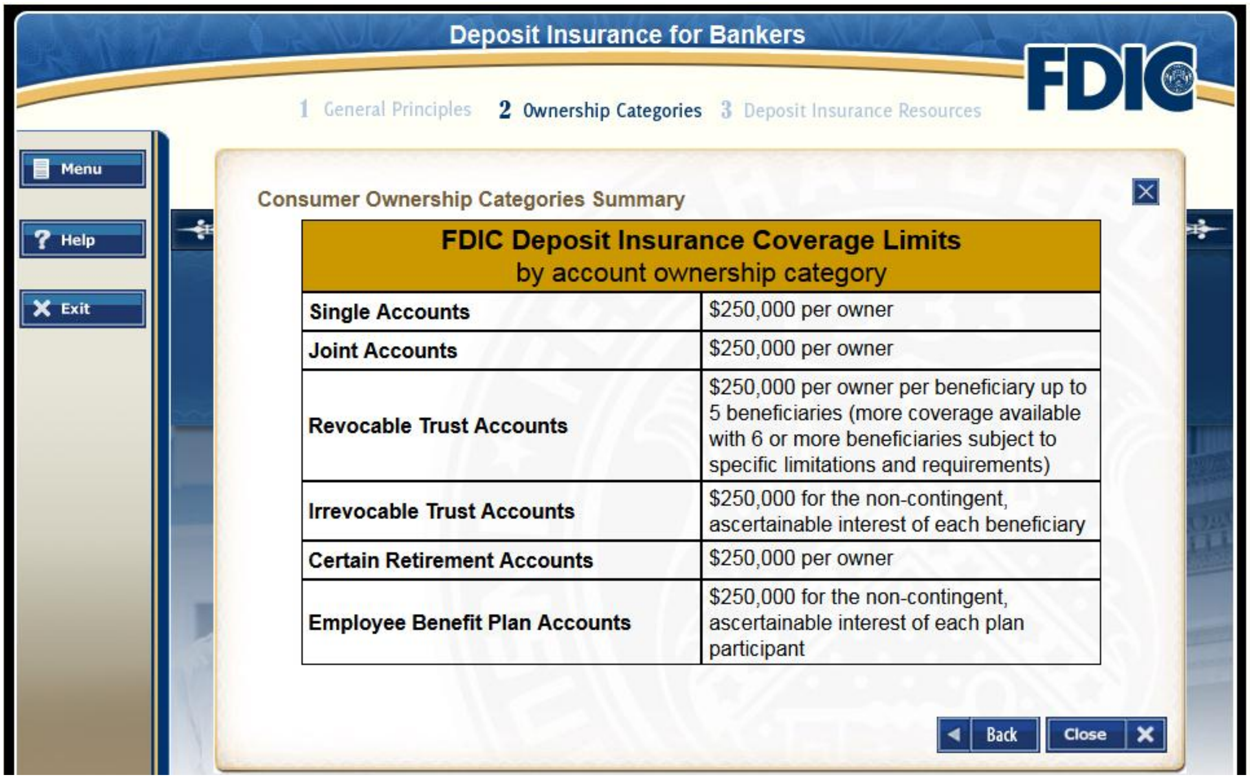
The specific requirements for coverage under this category are:

1. The account title must indicate the existence of an employee benefit plan

2. The plan's investment decisions must be made by a plan administrator, not by the participants themselves

3. The plan administrator must maintain documentation supporting the plan and the beneficial interest of the participant

Since employee benefit plans under this category are eligible for pass-through deposit insurance coverage and therefore may be insurable for more than $250,000, the FDIC recommends calling 1-877-275-3342 for assistance in calculating the specific amount of deposit insurance coverage that may be available.

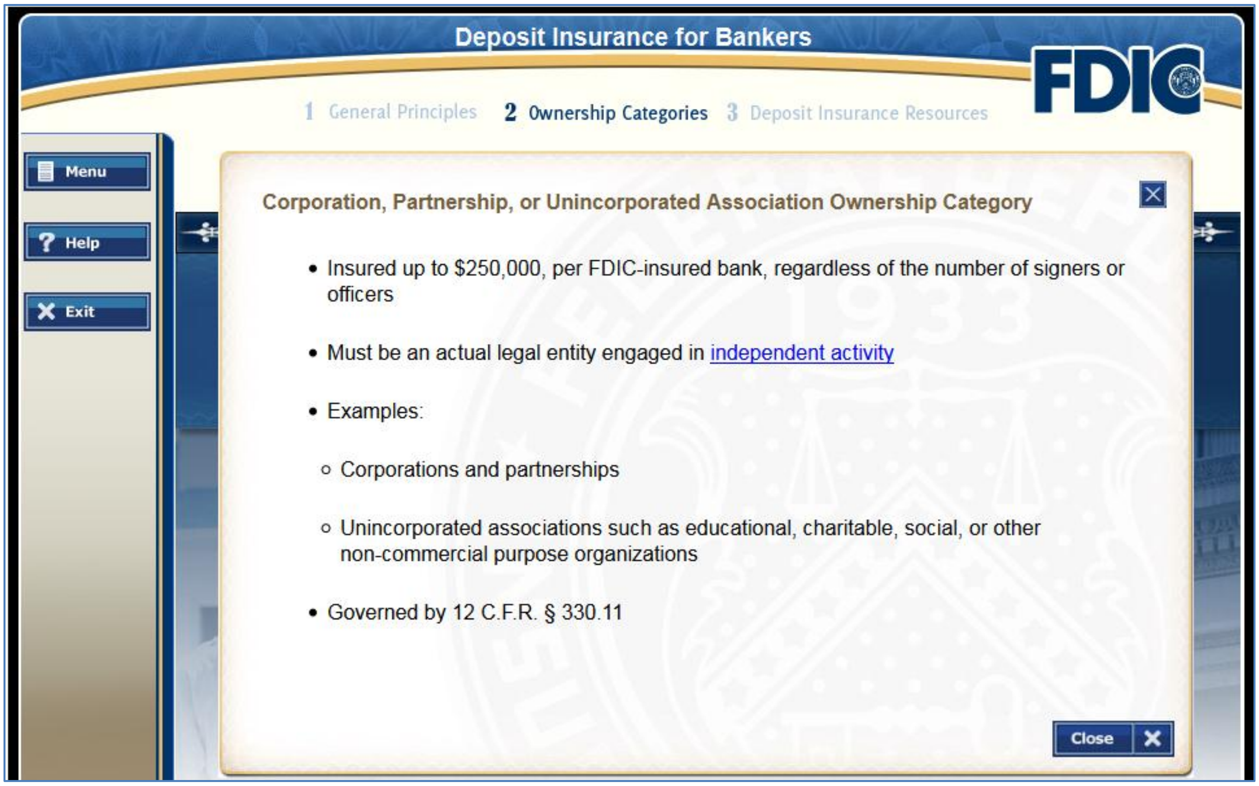


FDIC Deposit Insurance Coverage Limits by account ownership category	
Single Accounts	$250,000 per owner
Joint Accounts	$250,000 per owner
Revocable Trust Accounts	$250,000 per owner per beneficiary up to 5 beneficiaries (more coverage available with 6 or more beneficiaries subject to specific limitations and requirements)
Irrevocable Trust Accounts	$250,000 for the non-contingent, ascertainable interest of each beneficiary
Certain Retirement Accounts	$250,000 per owner
Employee Benefit Plan Accounts	$250,000 for the non-contingent, ascertainable interest of each plan participant

During this review of the six consumer-related account ownership categories, you received the knowledge to assist your depositors with their basic deposit insurance coverage questions.

FDIC Deposit Insurance Coverage Limits by Account Ownership Category	
Single Accounts	$250,000 per owner
Joint Accounts	$250,000 per co-owner
Revocable Trust Accounts	$250,000 per owner per beneficiary up to 5 beneficiaries (more coverage available with 6 or more beneficiaries subject to specific limitations and requirements)
Irrevocable Trust Accounts	$250,000 for the non-contingent, ascertainable interest of each beneficiary
Certain Retirement Accounts	$250,000 per owner
Employee Benefit Plan Accounts	$250,000 for the non-contingent, ascertainable interest of each plan participant

We now move from the six consumer-related account ownership categories to categories that specifically apply to accounts established by either a business organization or governmental entity.

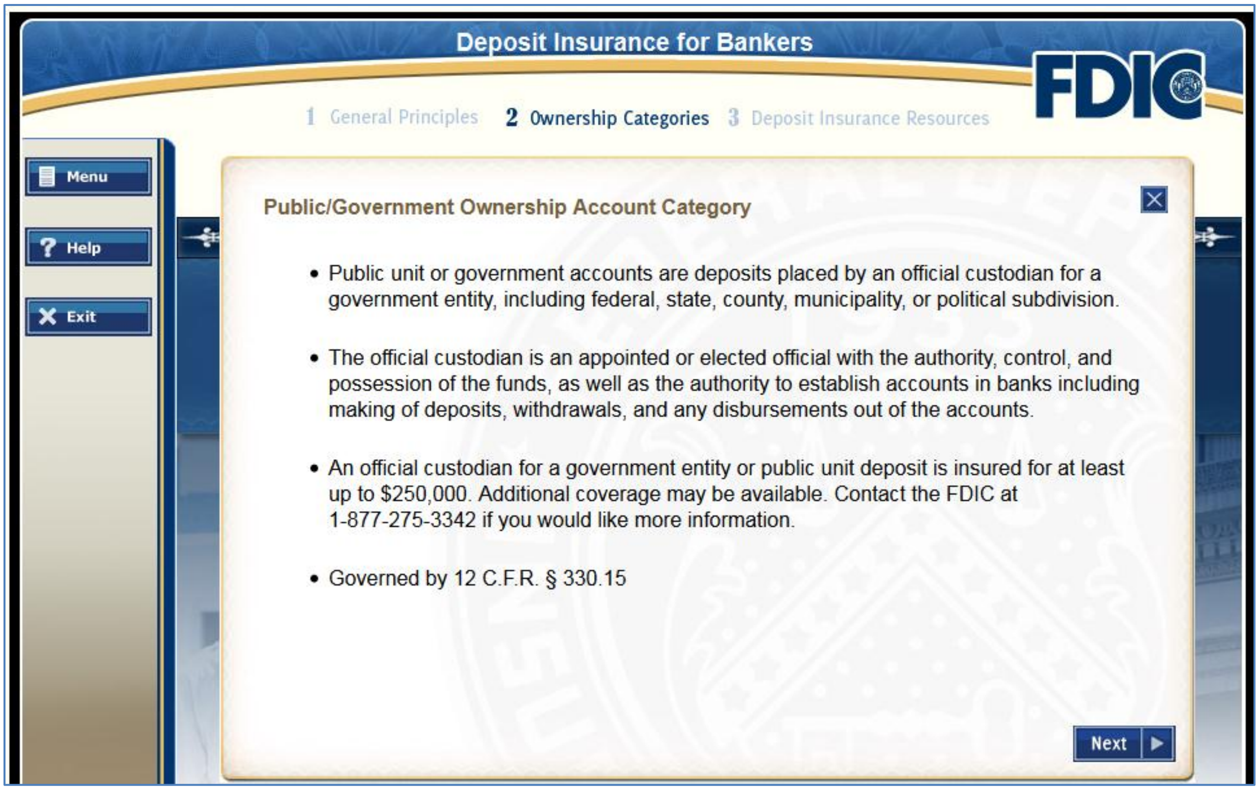


Deposits owned by businesses (e.g. corporations, partnerships, and unincorporated associations, including for-profit and not-for-profit organizations) are insured under the same ownership category.

Business accounts are insured up to $250,000, regardless of the number of signatories or officers.

In order for the FDIC to insure a business or organization, it must be an actual legal entity engaged in an independent activity, typically with a separate tax identification number and separate charters or bylaws. Examples include corporations, partnerships, and unincorporated associations such as educational, charitable, social, or other non- commercial purpose organizations.

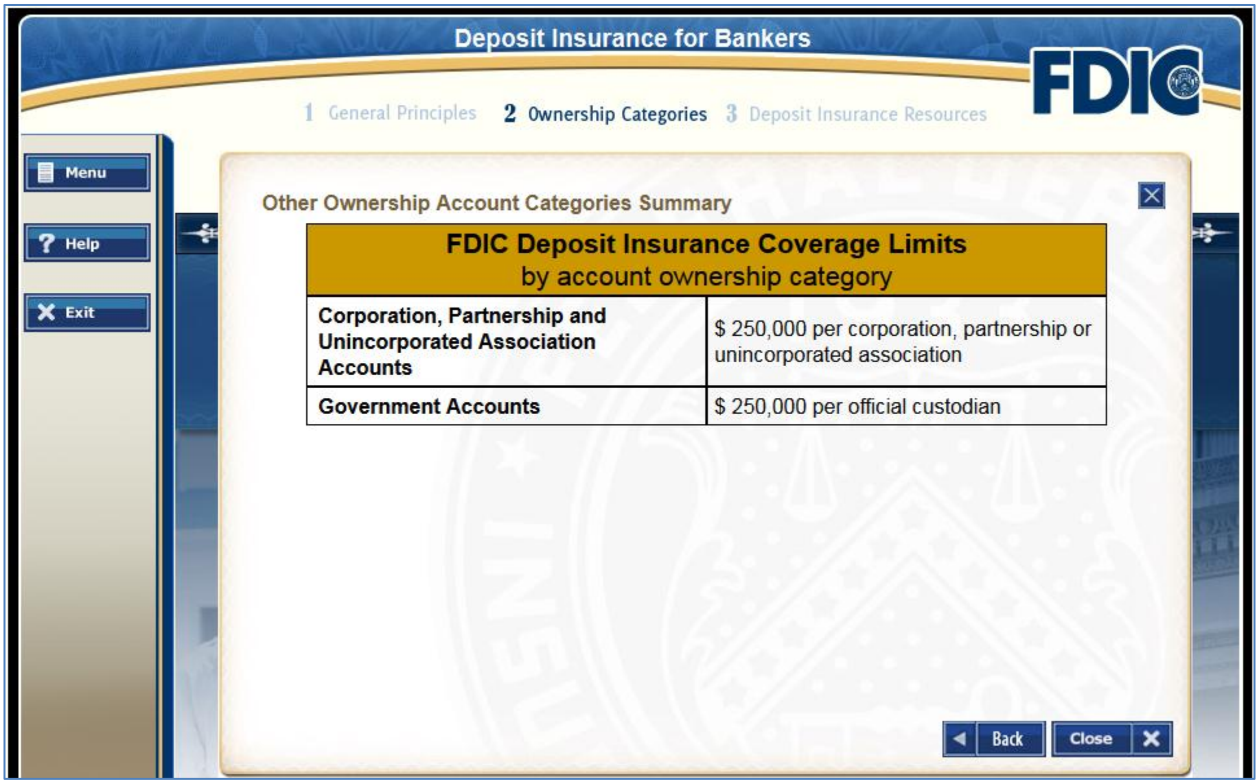
The corporation, partnership, or unincorporated association ownership account category is governed by 12 C.F.R. Section 330.11.



Deposits that are included under the public unit or government ownership account category are funds that are placed by an official custodian for a government entity including any federal, state, county, municipality, or political subdivision. The official custodian is an appointed or elected official who has the authority, control, possession of the government funds as well as the authority to establish accounts in banks including the making of deposits, withdrawals, and disbursements out of the accounts. The official custodian is therefore more than just a signatory of a government funds deposit account.

An official custodian for a government entity or public unit deposit is insured for at least up to $250,000. Additional coverage may be available. Contact the FDIC at 1-877-275-3342 if you would like more information.

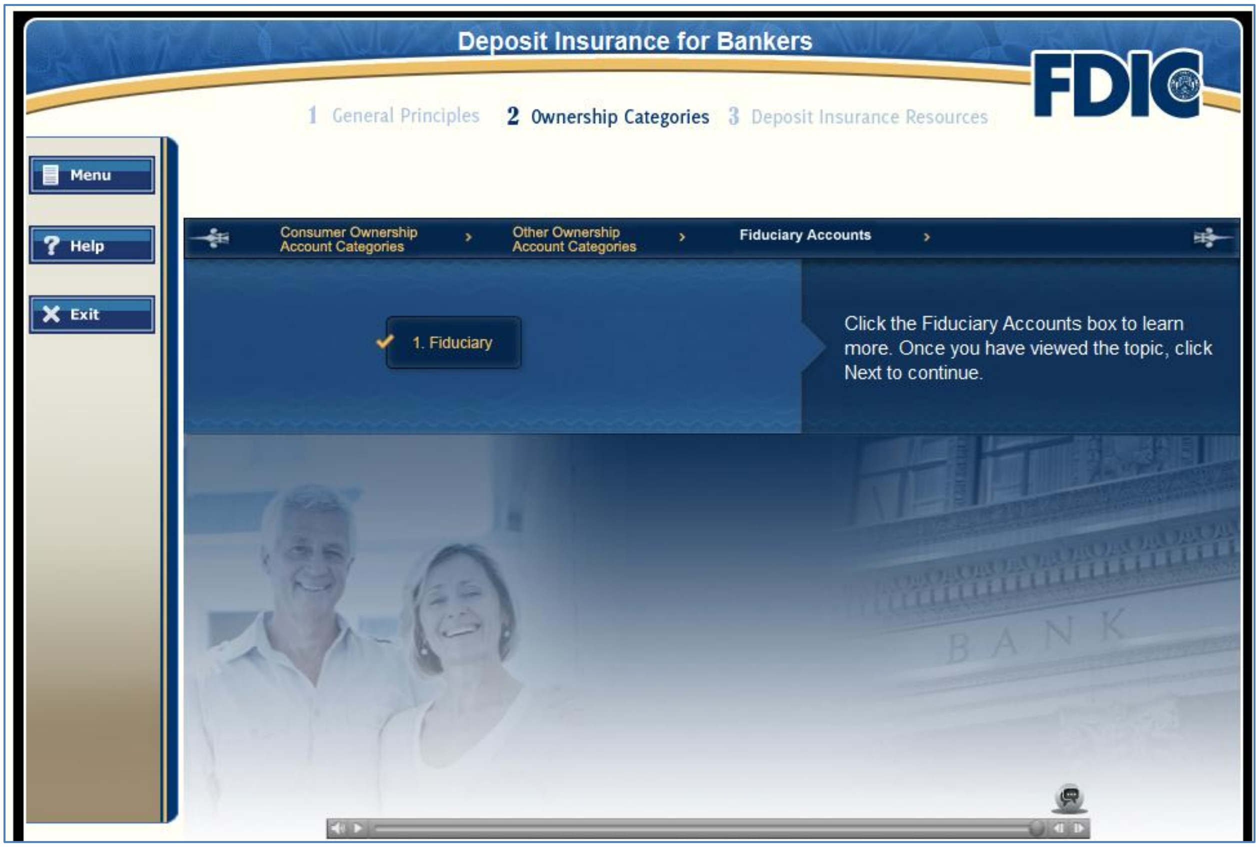
The public/government ownership account category is governed by 12 C.F.R. Section 330.15.



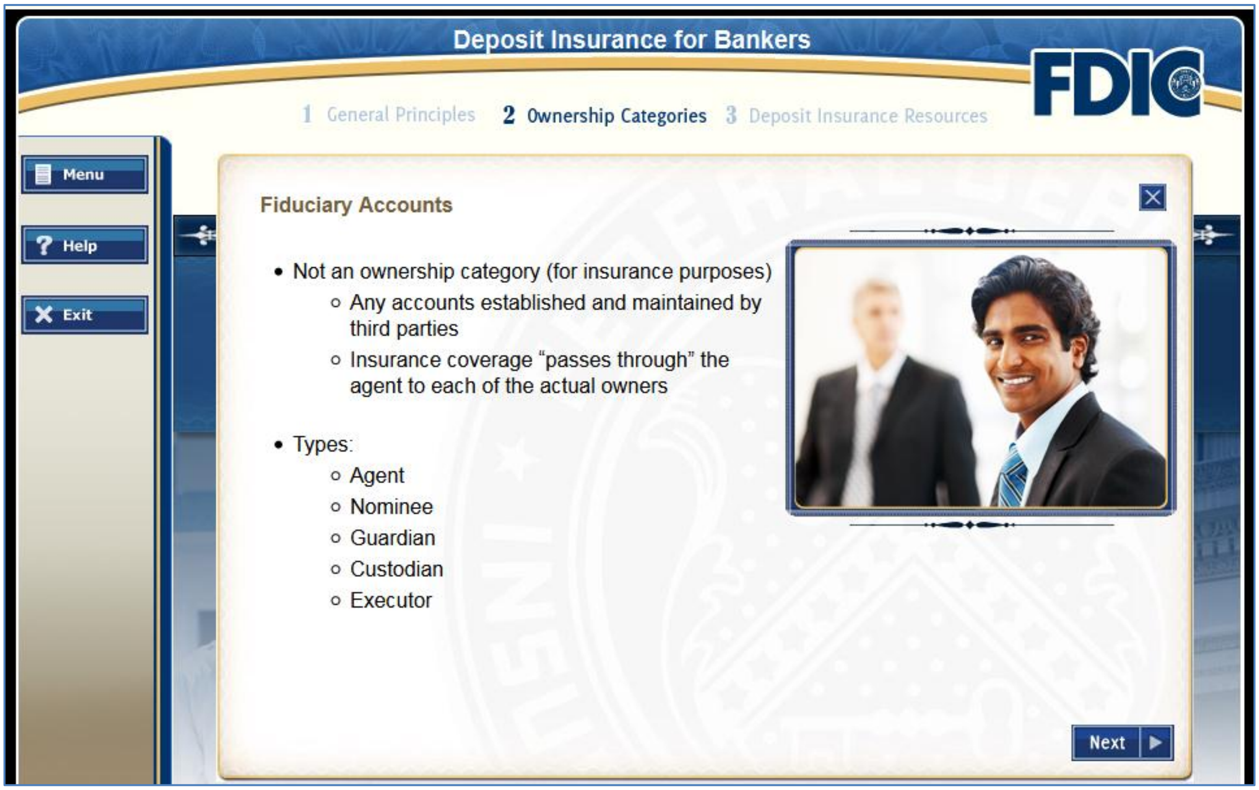
We have reviewed the non consumer account ownership categories. These categories include accounts established by a business entity such as a corporation, partnership or an unincorporated association and accounts established by an official custodian for a public unit or governmental entity.

FDIC Deposit Insurance Coverage Limits by account ownership category	
Corporation, Partnership and Unincorporated Association Accounts	$ 250,000 per corporation, partnership or unincorporated association
Government Accounts	$ 250,000 per official custodian

In the next topic, you will learn the deposit insurance coverage requirements for funds deposited by a fiduciary on behalf of the actual owner of the funds.



When determining account ownership for deposit insurance purposes, please note that not every account is opened or controlled by the insured account owner. In some instances, accounts are opened through an agency relationship. We refer to these deposits as fiduciary accounts.



Fiduciary Accounts are funds deposited by an agent on behalf of a person or an entity (in other words, the owner). If structured properly these funds pass-through the agent to the owner.

If the owner is a customer at the same bank where the agent has placed these fiduciary funds, then any funds owned by the customer held in the same capacity will be added together and insured up to the applicable limit.

Fiduciary accounts are not an ownership category (for insurance purposes).

Types:

- Agent
- Nominee
- Guardian
- Custodian
- Executor

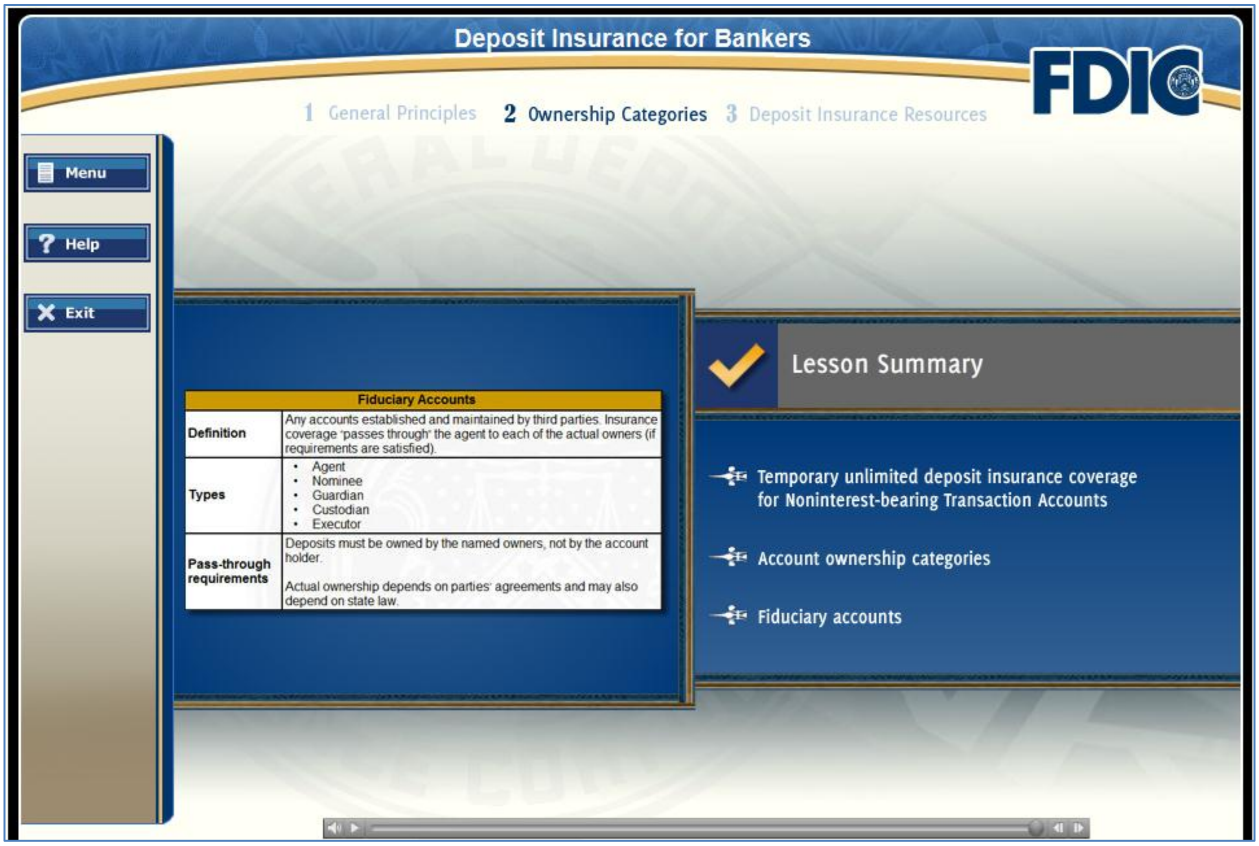
We refer to the passing of insurance coverage through the agent to the actual owner(s) of the deposited funds as "pass-through" coverage. In order to qualify for pass-through insurance coverage, certain requirements must be met:

- Deposits are not owned by the agent or custodian establishing the account but by one or more principals

- The Bank's account records must indicate the agency nature of the account

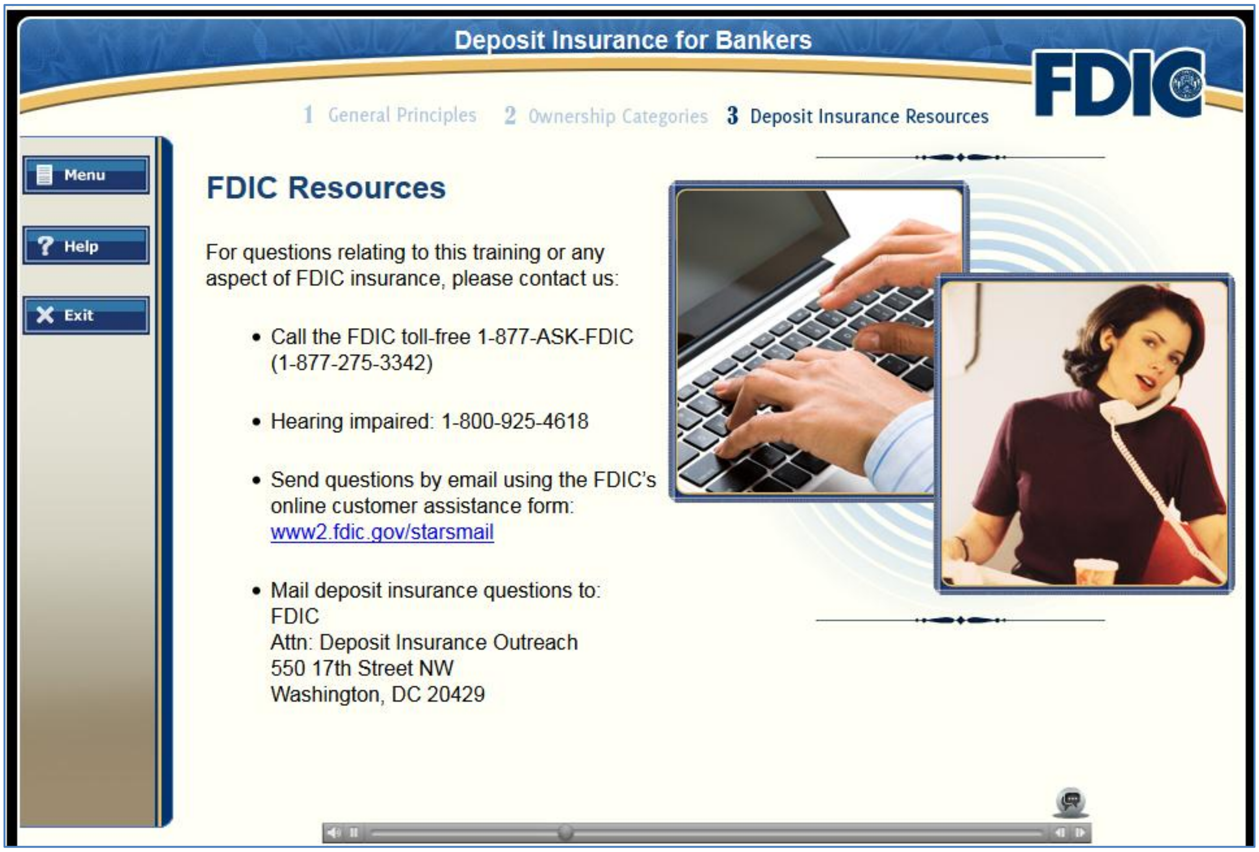
- The Bank's records or account holder's records must indicate the identities and interests of the actual owners

The fiduciary account ownership category is governed by 12 C.F.R. Section 330.5 and 12 C.F.R. Section 330.7.



In this lesson, you learned about:

- Temporary unlimited deposit insurance coverage for Noninterest-bearing Transaction Accounts under the Dodd-Frank Wall Street Reform and Consumer Protection Act and that funds placed in such accounts are separate from and in addition to funds held by an owner in other ownership categories
- FDIC coverage limits, the rules and requirements and how to calculate deposit insurance coverage for the most common account ownership categories
- Fiduciary accounts and how insurance coverage passes through agents to the actual owners if all requirements are met



Ok. Now you're ready to answer some of the most common Deposit Insurance Coverage questions that come your way.

And remember if you ever need any information or guidance, whether it's directly related to this basic training or to more complex questions you or your depositors may have on how the FDIC insures funds at your bank, please do not hesitate to contact us.

One of the best ways is to call us toll-free at 1-877-ASK-FDIC or 1-877-275-3342. Here you can talk directly to a Deposit Insurance Specialist about your specific deposit insurance coverage issue.

You can also email us questions using the FDIC's online customer assistance form. Or you can mail your questions.

The FDIC’s website located at www.fdic.gov is an excellent resource for you to get information regarding banks, press releases and FDIC Deposit Insurance Coverage.

The FDIC Are My Deposits Insured webpage (www.fdic.gov/deposit/deposits) is the main source where you and your depositor can obtain the most current deposit insurance coverage information.

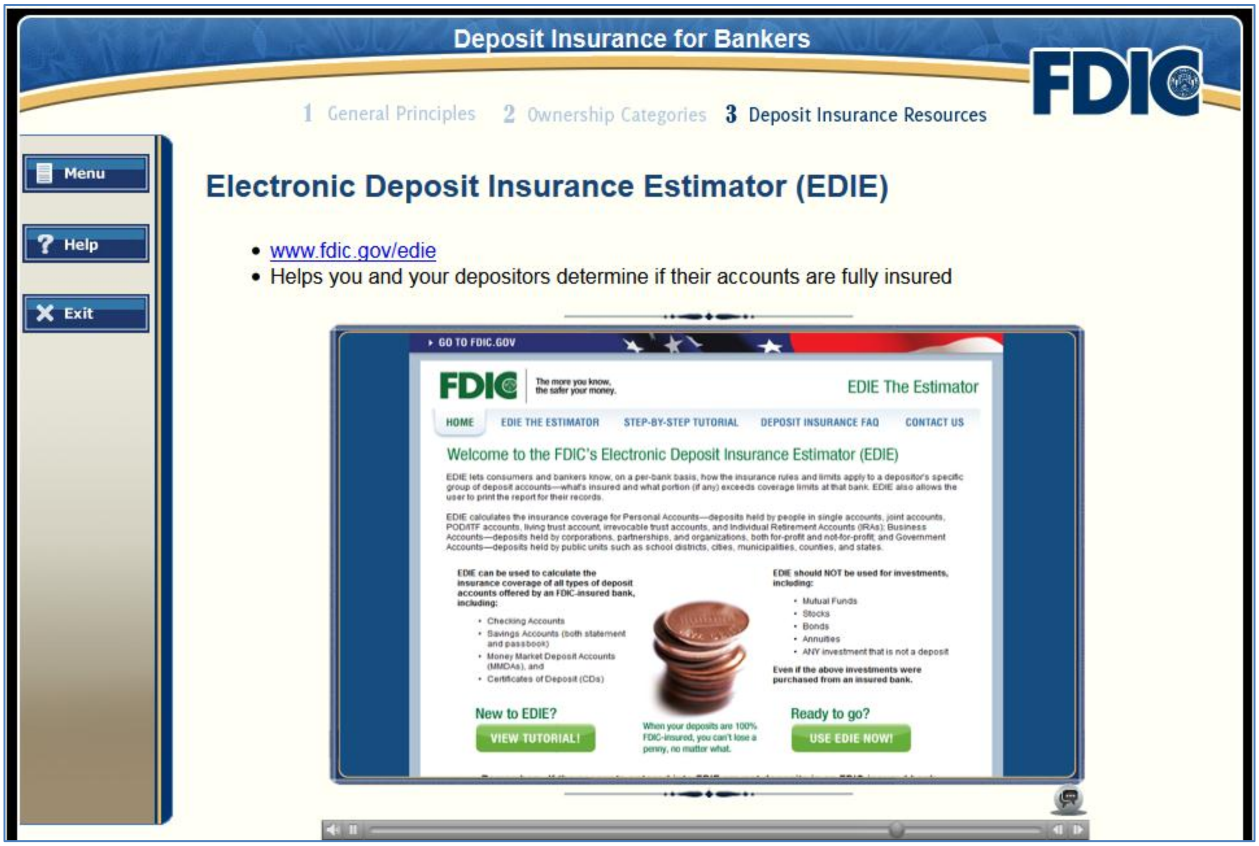
You can easily access the Are My Deposits Insured webpage from the FDIC homepage by clicking on the "Deposit Insurance" tab located at the top header towards the left side of the page.

Once you are at the Deposit Insurance page, scroll down and click on "Are My Deposits Insured?" This page may also be accessed directly at www.fdic.gov/deposit/deposits.

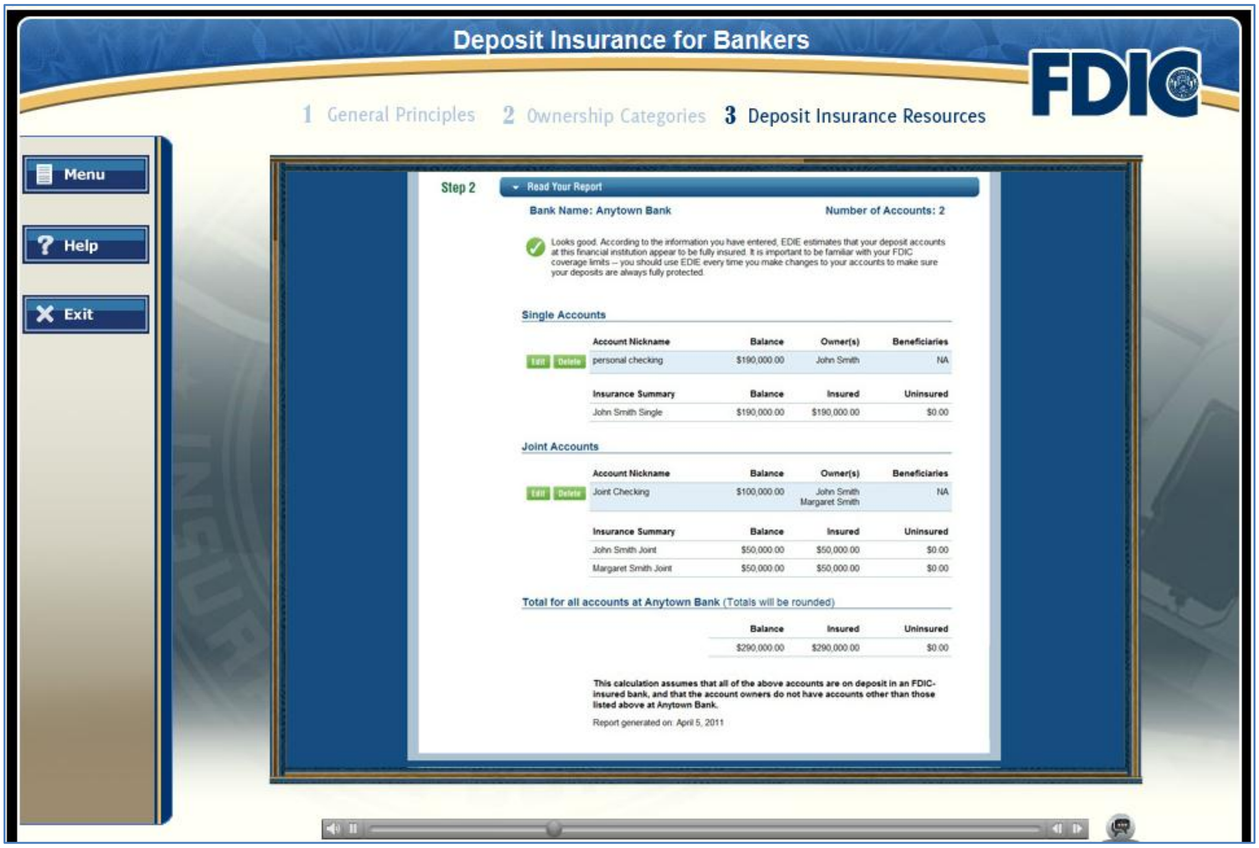
Our most utilized resources include:

- The deposit insurance coverage publications -Deposit Insurance Summary (a basic brochure) and Your Insured Deposits (a comprehensive guide)
- The deposit insurance coverage videos
- The FDIC's Electronic Deposit Insurance Estimator more commonly known as EDIE

To access any of these resources, simply click on the link and you will be taken directly to that specific resource.



EDIE, the Electronic Deposit Insurance Estimator can be accessed directly at www.fdic.gov/edie. EDIE is an excellent online tool that can be used by both you and your depositors.



EDIE was designed for easy usability, even for first time computer users. Simply gather a list of all your customer's account information, to include account owners, account balances, and any account beneficiaries. Once all of the information for a customer is entered, EDIE will generate a report showing if the deposits are fully insured. EDIE includes a Tutorial, to walk a user through several common account ownership categories.

In addition to the tutorial, here are some helpful "Do's and Don'ts" to remember about the EDIE system:

Do Use EDIE:

- When a customer's total balance in your bank is over $250,000
- To re-confirm coverage when there is:
    1. A change in the ownership category
    2. An addition or deletion of an owner or beneficiary;
    3. A modification for any reason
- Finally, use EDIE, whenever you want to reassure your customer that their deposits are 100% insured by FDIC

Don't Use EDIE for:

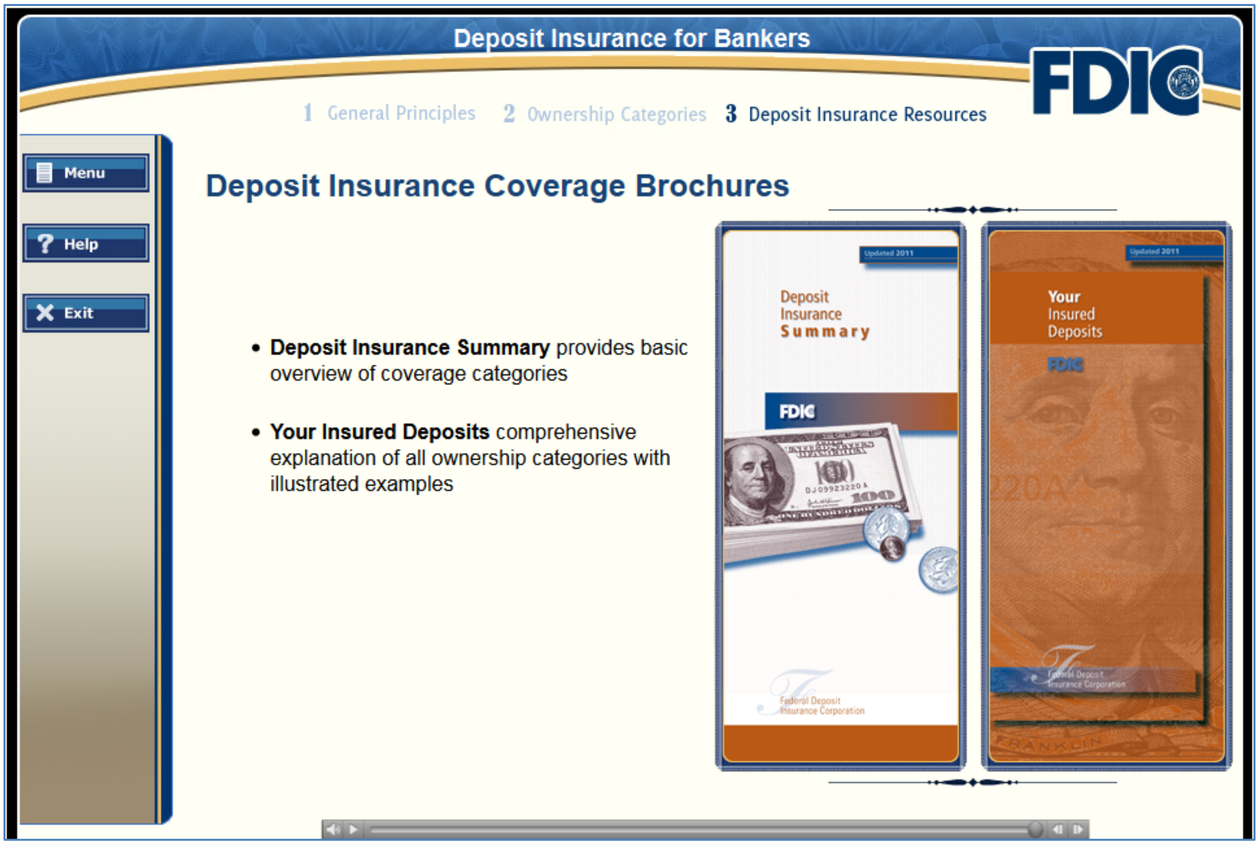
- Complex trusts
- Employee benefit plan deposits
- Fiduciary Accounts
- Investments that are not deposits, such as:
  - Stocks
  - Bonds
  - Mutual funds
  - Annuities

Even if these items are purchased from your bank.

The FDIC's videos are an excellent resource for bankers to supplement as a training tool.

Overview on Deposit Insurance Coverage—for bankers and consumers provides a summary of how deposit insurance works with specific emphasis on the most common deposit insurance ownership categories available to individuals and families.

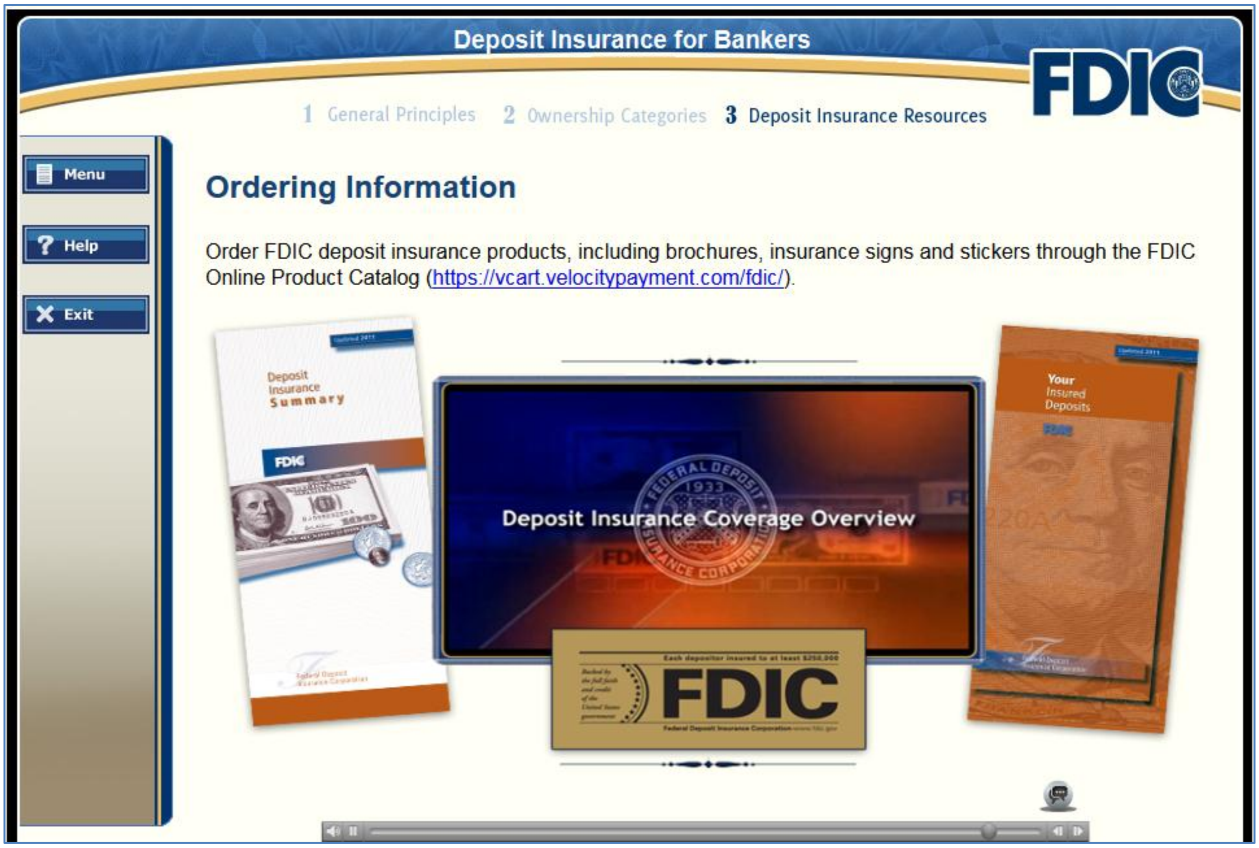
The video is approximately 30 minutes and is available on DVD, the FDIC's Deposit Insurance website and FDIC's YouTube page.



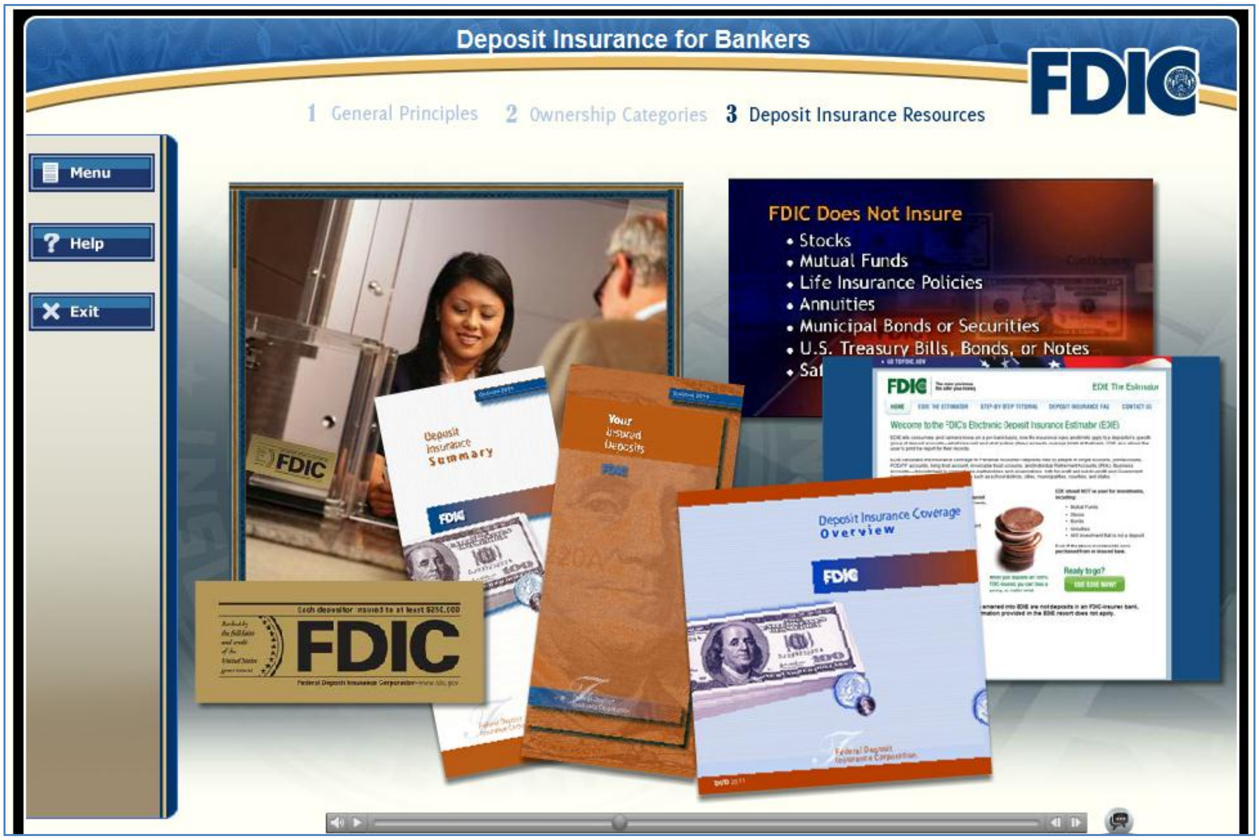
As previously mentioned, our two most utilized brochures are Deposit Insurance Summary and Your Insured Deposits.

Deposit Insurance Summary is a brochure that provides a basic overview of the deposit insurance account coverage categories.

Your Insured Deposits is a detailed brochure that will help you and your depositors understand FDIC Deposit Insurance Coverage.



You can order FDIC deposit insurance products, including brochures and insurance signs through the FDIC Online Product Catalog.



Thank you for making an investment in knowledge that will ensure the interest of your depositors. We hope this information has given you a basic understanding of FDIC deposit insurance coverage and how to access the deposit insurance coverage resources.

Please remember, the FDIC welcomes any inquiry either you or your depositors may have about FDIC deposit insurance coverage. The FDIC can be reached at 1-877-ASK-FDIC (or 1-877-275-3342) or through the internet at www.fdic.gov.