



PRESS RELEASE

Federal Deposit Insurance Corporation

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TO PROTECT BANK CUSTOMERS, FEDERAL BANKING AGENCIES ISSUE GUIDANCE ON THE USE OF TRADE NAMES

FOR IMMEDIATE RELEASE

Federal banking agencies today advised the institutions they regulate to adopt procedures aimed at helping customers recognize that different facilities of a bank or thrift—including Internet sites—are not separately insured just because they operate under different names. In recent years, several banks have used names that differ from the bank's corporate name for branches or the delivery of services over the Internet.

The guidelines—discussed in an Interagency Statement on Branch Names—recommend:

- Disclosing in signs, advertising, and similar materials that the facility is a branch of the bank or thrift. These disclosures should be clear and conspicuous.
- Using the legal name of the insured institution for legal documents, certificates of deposit, signature cards, loan agreements, account statements, and other similar documents.
- Educating the staff of the insured institution about the possibility of customer confusion over deposit insurance.
- Requesting depositors opening new accounts to sign a statement acknowledging that the corporate institution informed them that the facility is in fact part of the corporate institution and that deposits held at each of its facilities are not separately insured.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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The federal banking agencies are concerned that, if customers believe they are dealing with two different institutions, they may inadvertently exceed FDIC insurance limits by depositing more than \$100,000 in differently named facilities of the same institution.

There are no federal laws or regulations that specifically require that branches or Internet sites of a bank or thrift operate under a single name. The federal banking agencies issuing the guidance--the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision--believe that as a matter of good business practice banks and thrifts should take steps to avoid confusing customers as to the scope and extent of FDIC insurance.

The Interagency Statement will become effective on July 1, 1998. It is attached.

Last Updated 07/14/1999
