



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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FDIC Issues Proposed Rule Regarding Deposit Insurance Simplification

WASHINGTON — The Federal Deposit Insurance Corporation (FDIC) today issued a proposed rule to simplify aspects of the agency's deposit insurance coverage rules.

First, the proposed rule would simplify deposit insurance coverage for deposits held in connection with revocable and irrevocable trusts by merging these two deposit insurance categories and applying a simpler, common calculation to determine coverage for all trust accounts. Currently, the FDIC receives more inquiries related to deposit insurance coverage for trust deposits than all other types of deposits combined. The proposal would make the trust rules consistent and easier to understand for bankers and depositors, and also would facilitate prompt payment of deposit insurance by the FDIC in the event of an insured depository institution's failure.

Additionally, the proposal would amend the rule that governs coverage for mortgage servicing accounts to allow principal and interest funds advanced by a mortgage servicer to be included in the deposit insurance calculation.

Comments on the proposed rule will be accepted for 60 days after publication in the *Federal Register*.

Attachments:

[Notice of Proposed Rulemaking](#)

[Fact Sheet](#)

[Chairman Jelena McWilliams' Statement](#)



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.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-66-2021