



# PRESS RELEASE

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

April 22, 2021

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## **FDIC Issues Proposed Rule Regarding False Advertising, Misrepresentations About Insured Status, and Misuse of the FDIC's Name or Logo**

WASHINGTON — The Federal Deposit Insurance Corporation (FDIC) today issued a proposed rule implementing its statutory authority to prohibit any person or organization from making misrepresentations about FDIC deposit insurance or misusing the FDIC's name or logo. This statutory authority allows the FDIC to bring formal enforcement actions, such as cease and desist orders or civil money penalties, against individuals or entities for violations.

The proposed rule describes the process by which the FDIC would identify and investigate potential violations, and the procedures it would follow, when formally and informally enforcing the statutory prohibitions. The proposed rule would also create a central point-of-contact where the public could report or make inquiries about potential violations. Additionally, the proposed rule would establish a more transparent process that would promote stability and public confidence in FDIC deposit insurance and the nation's financial system.

Recently, the FDIC has noticed an increase in the number of cases where individuals or entities have misused the FDIC's name or logo, or have made false or misleading representations about deposit insurance. Historically, the FDIC has resolved these matters by sending a letter to the responsible parties requesting corrective action be taken. Between January 1, 2019 and December 31, 2020, the FDIC sent 165 such letters. The proposed rule includes a similar informal resolution process as well as more formal enforcement procedures.

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

### **Attachment:**

[Notice of Proposed Rulemaking on False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo. - PDF](#)



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](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://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-35-2021