



# PRESS RELEASE

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

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## **Latest *FDIC Consumer News* Features Tips for Simplifying Your Financial Life**

The Winter 2004/2005 issue of *FDIC Consumer News*, published by the Federal Deposit Insurance Corporation to offer practical guidance on financial matters, is now available on the Web at [www.fdic.gov/consumers/consumer/news/cnwin0405](http://www.fdic.gov/consumers/consumer/news/cnwin0405). It features:

- **Tips for Simplifying Your Financial Life.** The FDIC has compiled a list of things consumers can do to make their banking, bill paying and other financial chores easier. These ideas can help save time, reduce some of the stress of handling finances and making decisions, eliminate clutter, lower the fees people pay, and maybe even help earn a little extra on savings and investments.

The suggestions include how and why to: organize personal and financial papers; have pay, pension or benefits automatically deposited into a bank account instead of receiving a paper check; put some savings on autopilot by transferring a certain amount each month to a bank account, mutual fund or other investment; automatically withdraw funds from a checking account to pay for a recurring expense, such as a mortgage loan or utility bill; and consider banking and bill paying over the Internet. For consumers who are afraid or confused about banking electronically, the FDIC newsletter includes information that can help them overcome their technophobia.

- **Expecting a Tax Refund? Beware of Costly Loans and Other Pitfalls.** While a big refund may seem like a windfall, there are some potential pitfalls, too. The FDIC newsletter suggests money-saving options that bank customers can consider or discuss with their tax advisor. Example: If people need cash and can't wait for their tax refund, they should carefully consider their options and costs before borrowing the money. In particular, the newsletter notes that "refund anticipation loans" arranged by tax preparers may offer quick and convenient access to cash but the fees typically translate to very high interest rates – Annual



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-15-2005

Percentage Rates (APRs) of 60 to 650 percent or more.

- **New Studies Highlight Different ID Thefts.** A look at some new reports that can help consumers better understand the common causes of identity theft and how the crime is committed.
- **Updates on FDIC Insurance.** Read about a new video that explains the basics of FDIC deposit insurance and an answer to a key question about how much the FDIC pays if a bank fails.

The goal of **FDIC Consumer News** is to deliver timely, reliable and innovative tips and information, in plain English and free of charge, to help people protect and stretch their money. Current and past issues appear online at [www.fdic.gov/consumers/consumer/news](http://www.fdic.gov/consumers/consumer/news).

The FDIC also offers a free subscription service that provides an e-mail notice about each new issue posted to the Web site and provides a link to stories of interest. Instructions for subscribing are posted on the FDIC Web site at [www.fdic.gov/about/subscriptions/index.html](http://www.fdic.gov/about/subscriptions/index.html).