PRESS RELEASE

Federal Deposit Insurance Corporation

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Latest *FDIC Consumer News* Features Faster Ways to Pay and Bank Using High-Tech Cards and Phones
Other Topics Include Facing Problems Paying a Mortgage and Guarding Against Investment Scams

New technologies are constantly adding speed, convenience and flexibility to practically everything we do -- including how we bank and pay for goods and services. The latest ***FDIC Consumer News*** (Spring 2007), published by the Federal Deposit Insurance Corporation, features a look at some revolutionary new ways to conduct daily financial transactions using high-tech cards and cell phones, along with tips for choosing and using these services. Also in this issue: advice for adjustable-rate mortgage (ARM) borrowers that may help them avoid losing their home if they are unable to make monthly payments when the interest rate goes up, and tips for avoiding inappropriate or fraudulent investments.

Speed Banking and Paying: The newsletter focuses on three new forms of technology that can make paying and banking faster and easier -- cards with a pre-loaded value, such as gift cards for purchases at stores and pre-paid debit cards for use at businesses as well as ATMs; "contactless" (no-swipe) credit and debit cards that can make checking out faster, especially for small transactions at stores and restaurants; and banking and paying using a cell phone. ***FDIC Consumer News*** discusses potential benefits and concerns. There is also a list of questions to ask your banker before signing up for these new services, on topics ranging from convenience and costs to understanding the consumer's potential liability if there is an unauthorized withdrawal.

Attention ARM Borrowers Facing High Payments: The FDIC and other banking regulators are encouraging ARM borrowers to contact their lenders as soon as possible if they cannot make their loan payments after an interest rate increase. Why? Because borrowers who default on a mortgage can severely damage their credit records and, to make matters worse, they can lose their homes. The agencies recommend asking about refinancing or restructuring a loan, including the possibility of moving to a fixedrate loan, which may be available at a lower monthly cost. Borrowers should consider getting help from a housing counselor before contacting their lender, but they also need to be on guard against credit-repair scams targeting homeowners having loan payment problems.

Don't Get Burned by Hot Investments: Many investments may be attractive and appropriate for a consumer, but others may be questionable offers or, in the worst case scenario, frauds. In this update, ***FDIC Consumer News*** gives tips for how to spot a potentially bad investment deal or a scam. The newsletter cautions consumers to be wary of unsolicited offers, to try to deal only with businesses and salespeople the consumer already knows or that have been recommended, to get key details in writing and to independently research the investment before committing to anything. An especially important reminder is to make sure an investment is suitable for a person's financial situation and tolerance for risk. The newsletter also gives examples of classic cons that continue to target investors, including some that misuse the FDIC's name.

News Briefs: Read about the new FDIC sign that all insured banks and savings associations will be required to display at teller stations, FDIC resources on deposit insurance available in both English and Spanish, a warning about deceptive mortgage offers, and new information showing that direct deposit is safer than receiving payments by paper checks.

The goal of ***FDIC Consumer News*** is to deliver timely, reliable and innovative tips and information on financial matters, free of charge. This special edition can be read or printed online at www.fdic.gov/consumers/consumer/news/cnspr07.

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