PRESS RELEASE

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

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FDIC Publication Helps Consumers Understand Their New, Higher Deposit Insurance Coverage

Latest Advice on How to Be Fully Protected is Available Free

With banks and the economy in the news so much lately, many people are thinking more about the safety of their money. The good news for consumers is that federal deposit insurance coverage has significantly increased, primarily as a result of a temporary boost in the basic insurance limit from $100,000 to $250,000. That's also why the Federal Deposit Insurance Corporation has issued an explanation of the new changes along with tips and information to help bank customers better understand their insurance coverage and how to be sure all their deposits are fully protected.

The advice was published as a special edition of the agency's ***FDIC Consumer News*** (the Fall 2008 issue) entitled "Your New, Higher FDIC Insurance Coverage: How You Can Be Fully Protected." Among the key points made in the new publication:

- **The basic limit on federal deposit insurance coverage has been temporarily increased from at least $100,000 to at least $250,000 per depositor.** But as always, a depositor may qualify for more than the basic insurance coverage at one insured bank because the FDIC provides separate insurance coverage for deposits held in different "ownership categories," such as single and joint accounts.

- **By law, the basic FDIC insurance limit will return to $100,000 on January 1, 2010.** That means all the deposits a consumer has at a bank in his or her name alone will be fully insured up to $250,000 through December 31, 2009. After that date, the depositor will only be insured up to $100,000, with any balance over that limit becoming uninsured. However, it is important to remember that additional coverage may be available depending on how accounts are held, such as when deposits are owned jointly with another person. The reduction in coverage starting in 2010 will not affect certain retirement accounts, which will continue to be protected up to $250,000.

- **The FDIC has eased the rule governing "revocable trust accounts" that pass to named beneficiaries when the account owner dies.** No longer does the FDIC consider only the account owner's spouse, child, grandchild, parent or sibling as "qualifying beneficiaries" for additional insurance coverage ($250,000 if there is one beneficiary, $500,000 if there are two, and so on). Now, an account owner can name any person or charity as a beneficiary and the owner will qualify for the additional deposit insurance coverage.

- **Through year-end 2009, certain checking accounts at participating banks will be fully insured by the FDIC, no matter how much money is in them.** This special insurance coverage applies only to no-interest checking accounts and certain other low-interest transaction accounts, and only at participating institutions.

Other articles describe various steps depositors can take to be sure they're fully protected by FDIC insurance, why and how to use the FDIC's online deposit insurance calculator called "EDIE," and common misconceptions depositors have that can inadvertently result in being over the federal insurance limit and at risk of loss if their institution fails.

"Your New, Higher FDIC Insurance Coverage" can be read or printed at www.fdic.gov/consumers/consumer/news/cnfall08. To order up to two free paper copies, use the online form on that same Web page or call the Federal Citizen Information Center toll-free at 1-888-8- PUEBLO (1-888-878-3256) weekdays from 8:00 a.m. to 8:00 p.m. Eastern Time and ask for Department 89.

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