PRESS RELEASE

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

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FDIC Issues Final Rule on Processing of Deposit Accounts in the Event of Failure

The Board of Directors of the Federal Deposit Insurance Corporation today issued a final rule on processing deposit accounts in the event of failure. The final rule, which is a follow-up to the FDIC's issuance of an interim rule in July 2008, establishes the FDIC's practices for determining, for deposit insurance and receivership purposes, deposit and other account balances at a failed depository institution. To a large extent, this rulemaking codifies the FDIC's long-standing policies and procedures at bank closings. The final rule applies to all FDIC-insured institutions.

The final rule requires, effective July 1, 2009, that insured depository institutions inform their sweep account customers of the nature of their swept funds and how those funds would be treated if the institution should fail. Excluded from the requirement are sweep arrangements where funds are moved between deposit accounts and the deposit insurance available to the customer is unchanged. The preamble to the rule provides examples of commonly used sweep transactions indicating in each case how the swept funds would be treated in the event of failure.

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Attachment: Final Rule on Processing Deposit Accounts in the Event of an Insured Depository Institution Failure - PDF (PDF Help)