



# PRESS RELEASE

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

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## **Quiz on Financial Scams Featured in Latest FDIC Newsletter for Consumers** *Other timely topics include deposit insurance coverage and dealing with debt problems*

Con artists are very good at tricking consumers into parting with money or divulging personal information that can be used to commit fraud. To help test people's knowledge about financial scams, the Fall 2010 issue of ***FDIC Consumer News***, published by the Federal Deposit Insurance Corporation, features a quiz on common frauds and their warning signs. Other timely articles discuss FDIC insurance coverage, solutions to mortgage and other debt problems, "credit protection" offers, student loans, ways to save money at tax time, and automated overdraft payment programs.

Here's an overview of the topics, tips and information in the latest newsletter:

- **Can you spot a scam?** The FDIC's seven-question quiz on frauds involves common scenarios, including transactions with strangers who pay by check, work-at-home solicitations, lost or stolen ATM and debit cards, offers to rescue a home from foreclosure, and e-mail requests for personal financial information. Each answer comes with additional information and guidance on how to learn more.
- **What to know about two key changes in FDIC insurance:** There continues to be confusion over what has or hasn't changed recently with FDIC insurance coverage. The FDIC offers an overview of two key areas — the permanent increase in the basic coverage amount from \$100,000 to \$250,000, and the new, temporary insurance category that will fully insure all funds in checking accounts that pay no interest, regardless of the dollar amount.
- **Estate planning and FDIC-insured accounts:** This article looks at different types of deposit accounts that can be used to pass funds on to heirs and how to make



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.

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sure the money is fully insured if the bank fails.

- **Mortgage payment problems:** The reminders and updates in this article center on refinancing opportunities and loan modifications available through the federal government, plus how to obtain help from a non-profit housing counselor and avoid foreclosure rescue frauds.
- **Dealing with debt overload:** Borrowers who think they won't be able to make a loan payment need to work out a solution with their lender. One option is to find a reputable credit counselor who can help develop a personalized plan to solve the problems. The article also discusses protecting against scams and understanding consumer rights.
- **What to consider before buying credit protection.** Credit card issuers and other lenders offer products that would postpone or make a borrower's loan payments in the event of a personal hardship, such as a death, illness or job loss. These products may provide security and peace of mind, but it's important to understand the costs, limitations and alternatives.
- **The latest on student loans:** With college costs soaring and student loan debt at a record high, the newsletter offers an update on what families need to know about borrowing to pay for an education.
- **Tips for saving money at tax time:** Moves to consider include using tax refunds to pay off high-interest debt or build up savings, avoiding costly loans arranged by tax preparers, and being on guard against tax-related frauds.
- **New guidance to banks on overdraft costs, usage:** For the more than 4,700 institutions it supervises, the FDIC has issued guidance for close monitoring and oversight of overdraft payment programs, especially automated programs that can lead to excessive use and high costs for consumers.

The goal of **FDIC Consumer News** is to deliver timely, reliable and innovative tips and information about financial matters, free of charge. The Fall 2010 edition can be read or printed at [www.fdic.gov/consumers/consumer/news/cnfall10](http://www.fdic.gov/consumers/consumer/news/cnfall10).

To find current and past issues of **FDIC Consumer News**, visit [www.fdic.gov/consumernews](http://www.fdic.gov/consumernews) or request paper copies by contacting the FDIC's Public Information Center toll-free at 1-877-275-3342, by e-mail to [publicinfo@fdic.gov](mailto:publicinfo@fdic.gov), or by writing to the FDIC Public Information Center, 3501 North Fairfax Drive, Room E-1002, Arlington, VA 22226.

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