



PRESS RELEASE

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

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FDIC Board Proposes Rule to Improve Public Awareness of Deposit Insurance Limits

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) today issued a Notice of Proposed Rulemaking to improve consumer awareness of deposit insurance coverage.

The financial crisis made clear that additional and ongoing education among depositors about basic deposit insurance information is necessary. While the FDIC continues other public education efforts, bank customers have found the information provided by their depository institutions inadequate and have expressed the desire for additional resources from their banks. The proposed rule would require certain bank staff to receive annual training on the basic principles of deposit insurance coverage with the FDIC providing the materials – a computer-based module – with no recordkeeping required of the insured institution. The rule would limit the required training to those employees who open accounts or are authorized by the bank to answer deposit insurance questions. The rule achieves the balance of minimizing regulatory burden while ensuring that depositors are better informed.

The proposal also would require insured depository institution staff opening a new account to inquire whether the customer has other accounts at that institution and whether the aggregate deposits may exceed the deposit insurance limit of \$250,000. In the vast majority of cases, the answer will be no, and the institution's obligation under the proposed regulation would end at that point. In the limited instances that a customer's deposits exceeded the deposit insurance limit, the institution would need only to provide basic literature to the customer including a copy of the FDIC's publication, Deposit Insurance Summary. It contains basic deposit coverage information and a list of available deposit insurance coverage resources, including a link to EDIE,



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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our Electronic Deposit Insurance Estimator, that the customer can use to confirm his/her deposit coverage.

The NPR is an important next-step in the FDIC's ongoing effort to raise public awareness of federal deposit insurance limits and the easy steps depositors can take to make sure their deposits are protected in full. Since 2008, the FDIC has carried out an extensive, multi-year public education campaign aimed at raising public awareness of how FDIC deposit insurance works. The FDIC initiated this effort after receiving tens of thousands of inquiries from depositors -- and bank employees -- requesting deposit insurance information and guidance in the wake of recent bank failures.

"Feedback from bank customers made it clear that banks can prove to be a valuable ally in depositor insurance education. Lack of customer understanding of deposit insurance limits undermines public confidence in the FDIC guarantee which in turn hurts all insured banks and savings institutions. Bank depositors need access to accurate deposit insurance information so they know how to assure that their deposits are protected in full, while banks benefit from the enhanced comfort level of their customers," FDIC Chairman Sheila C. Bair said. "We have crafted a rule that minimizes regulatory burden and takes common sense steps to help educate bank customers about deposit insurance limits."

Attachment:

Notice of Proposed Rulemaking on Required Banker Training on Deposit Insurance Coverage - PDF (PDF Help)
