



PRESS RELEASE

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

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FDIC Consumer Newsletter Features Banking Tips for Small Businesses

Other topics include preventing elder fraud and overcoming problems managing a checking account

FOR IMMEDIATE RELEASE

Small businesses are crucial to the U.S. economy and they're very important to their owners — the entrepreneurs who put their own money and long hours into operating and growing a company. The Winter 2011/2012 **FDIC Consumer News**, published by the Federal Deposit Insurance Corporation, features practical tips and information in a collection of articles entitled "Minding Your Own Business: Banking Tips for Small Companies." This issue also includes articles on protecting senior citizens from financial fraud and theft, and guidance for consumers turned down for a checking account because of mismanagement. Here's an overview:

Banking tips for small businesses: The FDIC newsletter includes information on:

- Finding loans to start and grow a small business, typically for purposes such as buying equipment and paying suppliers and employees;
- Paying for everyday expenses, noting that some consumer protections with credit cards and debit cards do not apply to businesses;
- Payment methods to accept other than cash;
- Avoiding common frauds that target small businesses;



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.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). **PR-19-2012**

- Depositing money in FDIC-insured accounts, including those that qualify for unlimited federal insurance coverage through 2012;
- Some common questions to the FDIC from small businesses on topics such as getting or renewing a loan; and
- Useful resources for small businesses from the U.S. Small Business Administration, the FDIC, other federal agencies, and elsewhere.

Frauds targeting the elderly: Each year millions of senior citizens become victims of financial fraud or theft. Often, an adult child or other relative is responsible, while other situations may involve trusted individuals such as caregivers, legal guardians, investment advisors or new "friends." The FDIC newsletter offers tips in areas such as choosing an advisor, protecting personal financial information and avoiding scams.

Guidance for consumers turned down for a checking account: Consumers who frequently write bad checks or otherwise overdraw their account may find that their bank or credit union decides to close their account. They also may have trouble opening a new checking account elsewhere. The newsletter discusses how to re-establish or maintain an account, especially the importance of using a checking account responsibly.

Direct deposit replacing federal benefit checks: People who receive federal benefit payments such as Social Security or other government pensions — or plan to soon — need to know that the U.S. Department of the Treasury is phasing out paper checks for federal benefits in favor of all-electronic delivery via direct deposit by March 1, 2013. The changes already apply to new recipients. The FDIC newsletter also says that electronic delivery of federal benefits is another reason for people who don't have a low-cost or no-cost checking or savings account to look into getting one.

The goal of **FDIC Consumer News** is to deliver timely, reliable and innovative tips and information about financial matters, free of charge. The Winter 2011/2012 edition can be read or printed at www.fdic.gov/consumers/consumer/news/cnwin1112.

To find current and past issues of **FDIC Consumer News**, visit 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, or by writing to the FDIC Public Information Center, 3501 North Fairfax Drive, Room E-1002, Arlington, VA 22226.

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