



PRESS RELEASE

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FDIC Consumer Newsletter Features Shopping Tips for Loans and Credit Cards Other Topics Include Banking Strategies for Small Businesses

FOR IMMEDIATE RELEASE

Many people searching for a new loan or credit card may not be in the best position to get the right product for their needs and at the lowest possible cost. The latest FDIC Consumer News features tips on how to be better informed and better prepared before applying for credit while avoiding costly mistakes. The Fall 2015 edition also features simple banking strategies for small business owners, plus answers to questions from consumers about deposit insurance. Here is an overview of what is in this issue.

How to Get Your Best Deal on a Loan or Credit Card? Plan Ahead: Many people think that getting approved for credit or receiving an attractive interest rate is like a game of chance. But the reality is that taking certain steps before submitting an application can help consumers qualify for the best possible terms. Reviewing credit reports for errors, making sure bills are paid on time, and researching lending products are a few of the simple strategies in the newsletter.

Beware of Thieves Who Target Loan and Credit Card Shoppers: FDIC Consumer News is warning individuals in the market for new credit to watch out for con artists, especially when dealing with promotions on the Internet or over the phone. The newsletter presents common warning signs of fraudulent offers, including demands for upfront fees (which also may be illegal, depending on the circumstances) or requests for personal information that can be used to commit identity theft.

More to Know About the New Disclosures for Mortgage Loans: Applicants for residential mortgage loans will see a new look in the disclosures because of a rule issued by the Consumer Financial Protection Bureau that took effect October 3, 2015.



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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FDIC Consumer News offers an overview of the two new forms — a "Loan Estimate" explaining the costs and terms of the proposed loan in one form instead of the two previously required, and a "Closing Disclosure" summarizing the key terms of the final loan contract in one document in place of two.

"Add-ons" Sold With Credit — Do Your Research Before You Buy: Lenders who approve consumers for a loan or credit card often cross-sell related products or services, such as credit monitoring or identity theft protection. While add-on products may benefit some consumers, there may be significant costs or limitations. Also, there have been cases of consumers being billed incorrectly or not provided what was promised. The newsletter suggests things to know or do before committing to an add-on product.

Banking Tips for Small Businesses — A Checklist for Entrepreneurs: The newsletter offers a collection of simple strategies to help business owners get the most from their banking relationships and avoid frauds or scams. Examples include: Consider local resources available through the U.S. Small Business Administration (SBA). Connect with small business specialists at banks who can help identify useful financial services and may be able to offer helpful referrals. And, shop around for debit and credit card processing services because the costs vary. Small business owners and employees also can benefit from an FDIC/SBA financial education curriculum that has been updated and expanded.

More Answers to Consumer Questions About Deposit Insurance: FDIC staff answer more than 70,000 questions each year from depositors and bankers who ask about the deposit insurance rules to ensure that accounts are correctly structured and that money is fully insured. The latest issue provides answers to questions regarding banking online and purchasing FDIC-insured certificates of deposits (CDs) from brokers or brokerage firms instead of directly from banks.

The goal of FDIC Consumer News is to deliver timely, reliable and innovative tips and information about financial matters, free of charge. The Fall 2015 edition can be read or printed at www.fdic.gov/consumers/consumer/news/cnfall15. Check back there for coming versions of this issue for e-readers and portable audio (MP3) players. To find current and past issues, visit www.fdic.gov/consumernews, or request paper copies by contacting the FDIC's Public Information Center in writing at 3501 North Fairfax Drive, Room E-1002, Arlington, VA 22226, by e-mailing publicinfo@fdic.gov, or toll-free at 1-877-275-3342. To receive an e-mail about each new issue of the quarterly FDIC Consumer News with links to stories, go to www.fdic.gov/about/subscriptions/index.html.

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