Your Insured Deposits

FDIC's Guide to Deposit Insurance Coverage

Federal Deposit Insurance Corporation

Foreword

The FDIC—short for the Federal Deposit Insurance Corporation—is an independent agency of the United States government. The FDIC protects you against the loss of your insured deposits if an FDIC-insured bank or savings association fails. FDIC insurance is backed by the full faith and credit of the United States government.

If you or your family's deposit accounts at one FDIC-insured bank or savings association total $100,000 or less, your funds are fully insured. You can have more than $100,000 at one insured bank or savings association and still be fully insured provided your accounts meet certain requirements.

This guide describes the FDIC's rules for insurance coverage of bank and savings association deposits and answers frequently asked questions about the FDIC's insurance rules. The guide is intended primarily for depositors who need a comprehensive explanation of the FDIC's rules, including the requirements to qualify for more than $100,000 in insurance coverage.

Notice

The information provided in this guide is presented in a non-technical way and is not intended to be a legal interpretation of the FDIC's laws and regulations on insurance coverage. For greater detail concerning the technical aspects of insurance coverage, depositors or their counsel may wish to consult the Federal Deposit Insurance Act (12 U.S.C.1811 et seq.) and the FDIC's regulations relating to insurance coverage (12 C.F.R. Part 330).

Federal law expressly limits the amount of insurance the FDIC can pay to depositors and no representation made by any person can increase that coverage.

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FDIC Insurance Basics

The FDIC insures deposits in most banks and savings associations located in the United States. The FDIC protects you against the loss of your deposits if an FDIC-insured bank or savings association fails. FDIC insurance is backed by the full faith and credit of the U.S. government.

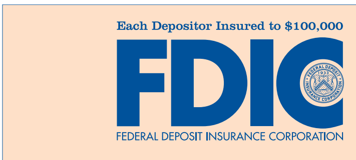
To check whether your bank or savings association is insured by the FDIC, call toll-free at:

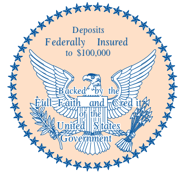
1-877-275-3342

or use the FDIC Institution Directory at:

www3.fdic.gov/idasp

or look for one of these signs where deposits are received. (For simplicity, the term "insured bank" is used to mean any bank or savings association that has FDIC insurance.)





What does FDIC deposit insurance cover?

FDIC insurance covers all types of deposits received at an insured bank, including deposits in checking, NOW, and savings accounts, money market deposit accounts, and time deposits such as certificates of deposit (CDs).

FDIC deposit insurance covers the balance of each depositor's account, dollar-for-dollar, up to the insurance limit, including principal and any accrued interest through the date of the insured bank's closing.

The FDIC does not insure the money you invest in stocks, bonds, mutual funds, life insurance policies, annuities, or municipal securities, even if you bought these products from an insured bank.

The FDIC does not insure U.S. Treasury bills, bonds, or notes. These are backed by the full faith and credit of the U.S. government – the strongest guarantee you can get.

What is the FDIC insurance limit?

The basic insurance limit is $100,000 per depositor, per insured bank. Deposits in separate branches of an insured bank are not separately insured. Deposits in one insured bank are insured separately from deposits in another insured bank.

Deposits maintained in different categories of legal ownership at the same bank can be separately insured. Therefore, it is possible to have deposits of more than $100,000 at one insured bank and still be fully insured.

The following section describes the ownership categories recognized by FDIC regulations and the requirements that you must meet to have coverage beyond the basic $100,000 limit.

Ownership Categories

Single Accounts

A single account is a deposit owned by one person. This ownership category includes any deposit account that:

- Is held in one person's name alone
- Is established for one person by an agent, nominee, guardian, custodian, or conservator, including Uniform Gift to Minors Act accounts, escrow accounts, and brokered deposit accounts
- Is held in the name of a business that is a sole proprietorship (for example, a "DBA account")
- Is established for a decedent's estate
- Fails to qualify for coverage under another ownership category

All single accounts owned by the same person at the same insured bank are added together and the total is insured up to $100,000.

If you own funds in an account titled in your name alone but you give another person the right to withdraw funds from the account, the account will be insured as a single account only if the insured bank's deposit account records indicate that:

- the other signer is authorized to make withdrawals pursuant to a Power of Attorney, or
- the account is owned by one person and the other person is authorized to withdraw funds on the owner's behalf (i.e., a convenience account)

If the insured bank's account records do not indicate that such a relationship exists, the deposit would be insured as a joint account.

Single Account Example

Account Title	Deposit Type	Account Balance
Marci Jones	NOW	$ 5,000
Marci Jones	Savings	20,000
Marci Jones	CD	100,000
Marci's Memories (a sole proprietorship)	Checking	25,000
Total Deposits		**150,000**
Amount Insured		**100,000**
Amount Uninsured		**$ 50,000**

Explanation:
Marci Jones has four single accounts at the same insured bank: three accounts held in her name alone and one account held by her business, which is a sole proprietorship. Funds owned by a sole proprietorship are insured as the single ownership funds of the person who owns the business. Thus, the deposits in all of these accounts are added together and the total balance, $150,000, is insured for $100,000, leaving $50,000 uninsured.

Self-Directed Retirement Accounts

Individual Retirement Accounts (IRAs), self-directed Keogh accounts, and any other self-directed retirement accounts are insured under the same ownership category.

An account is "self-directed" if the owner or plan participant has the right to direct the investment of the assets in the account.

Each person's deposits in self-directed retirement accounts at the same insured bank are added together and insured up to $100,000, separately from any retirement accounts that are not self-directed and any non-retirement funds.

Naming beneficiaries to a self-directed retirement account does not increase insurance coverage.

A Roth IRA is treated the same as a traditional IRA for deposit insurance purposes. So, if a depositor has both a Roth IRA and a traditional IRA at the same insured bank, the funds in both accounts are added together and insured up to $100,000.

Self-Directed Retirement Account Example

Account Title	Account Balance
Bob Johnson's Roth IRA	$ 10,000
Bob Johnson's IRA	75,000
Total	**85,000**
Amount Insured	**$ 85,000**

Explanation:
Since Bob's total in all self-directed retirement accounts at the same insured bank is less than the $100,000 limit, both IRAs are fully insured.

Joint Accounts

A joint account is a deposit owned by two or more people. To qualify for insurance under this ownership category, all of the following requirements must be met:

1. All co-owners must be people. Legal entities such as corporations, trusts, estates, or partnerships are not eligible for joint account coverage.
2. All co-owners must have equal rights to withdraw funds from the account. For example, if one co-owner can withdraw funds on his or her signature alone but the other co-owner can withdraw funds only with the signature of both co-owners, the co-owners do not have equal withdrawal rights.
3. All co-owners must sign the deposit account signature card unless the account is a CD or is established by an agent, nominee, guardian, custodian, executor or conservator.

If all of these requirements are met, each person's share of all accounts that are jointly held at the same insured bank are added together and the total is insured up to $100,000. The FDIC assumes that all co-owners' shares are equal unless the deposit account records state otherwise.

The balance in a joint account can exceed $100,000 and still be fully insured if each co-owner's share of all joint accounts at the same bank does not exceed $100,000. For example, a husband and wife could have up to $200,000 in one or more joint accounts at the same insured bank and the deposits would be fully insured.

Insurance coverage of joint accounts is not increased by rearranging the owners' names or by changing the styling of their names. Alternating the use of "or," "and" or "and/or" to separate the names of co-owners in a joint account title also does not affect the amount of insurance coverage provided.

In addition, using different Social Security numbers on multiple accounts held by the same co-owners will not increase insurance coverage.

Joint Account Example

Account Title	Deposit Type	Account Balance
Mary and John Smith	NOW	$ 25,000
John or Mary Smith	Savings	100,000
Mary or John or Robert Smith	CDs	150,000
Total Deposits		**$ 275,000**

Insurance coverage for each owner is calculated as follows:

Depositors	Ownership Share	Insured	Uninsured
Mary	$ 112,500	$ 100,000	$ 12,500
John	112,500	100,000	12,500
Robert	50,000	50,000	0
Total	**$ 275,000**	**$ 250,000**	**$ 25,000**

Explanation:

☛ Mary's ownership share in all joint accounts equals 1/2 of the NOW account ($12,500), 1/2 of the savings account ($50,000), and 1/3 of the CD ($50,000), for a total of $112,500. Since her coverage in the joint ownership category is limited to $100,000, $12,500 is uninsured.

☛ John's ownership share in all joint accounts is the same as Mary's, so $12,500 is uninsured.

☛ Robert's ownership share in all joint accounts is 1/3 of the CD, or $50,000, so his share is fully insured.

Revocable Trust Accounts

A revocable trust account is a deposit account that evidences an intention that the funds will belong to one or more named beneficiaries upon the death of the owner (grantor/settlor).

There are both informal and formal revocable trusts. Informal revocable trusts, often called "payable-on-death" (POD), "Totten trust," or "in trust for" (ITF) accounts are created when the account owner signs an agreement–usually part of the bank's signature card–stating that the funds are payable to one or more beneficiaries upon the owner's death.

Formal revocable trusts–known as "living" or "family" trusts–are written trusts created for estate planning purposes. The owner controls the funds in the trust during his or her lifetime. Upon the owner's death, the trust generally becomes irrevocable.

All deposits that an owner has in both informal and formal revocable trusts are added together for insurance purposes, and the insurance limit is applied to the combined total.

Payable-on-Death (POD) Accounts

POD accounts are insured up to $100,000 per owner for each beneficiary if all of the following requirements are met:

1. The account title must include commonly accepted terms such as "payable-on-death," "in trust for," or "as trustee for" to indicate the existence of a trust relationship. These terms may be abbreviated (e.g., "POD," "ITF" or "ATF").
2. The beneficiaries must be identified by name in the deposit account records of the insured bank.

3. The beneficiaries must be "qualifying," meaning that the beneficiaries must be the owner's spouse, child, grandchild, parent, or sibling. Adopted and step children, grandchildren, parents, and siblings also qualify. Others including in-laws, cousins, nieces and nephews, friends and organizations (including charities) do not qualify.

If any of the requirements are not met:

- The account would not be insured under the revocable trust category. The account, or the portion of the account that does not qualify, would be added to the owner's other single accounts, if any, at the same insured bank and insured up to $100,000.

- If the account has more than one owner, the FDIC would insure each owner's share as his or her single account.

If some beneficiaries meet the relationship requirements and all other requirements are met, the interests of the qualifying beneficiaries would be insured under the revocable trust category. The interests of the nonqualifying beneficiaries would be added to the owner's other single accounts, if any, at the same bank and insured up to $100,000.

If a POD account has more than one owner (e.g., husband and wife) or is held for multiple beneficiaries, the insured balance of the account can exceed $100,000. The FDIC will assume that the owners' shares are equal unless the deposit account records state otherwise. Similarly, if there are multiple beneficiaries, the FDIC will assume the beneficiaries' interests are equal unless otherwise stated in the deposit account records.

Example 1

POD account with one owner

Account Title	Account Balance	Amount Insured	Amount Uninsured
John Smith POD to son	$ 100,000	$ 100,000	$ 0

Explanation:
This trust account is insured up to $100,000 since there is one qualifying beneficiary who would receive the deposit when the owner dies.

Example 2

POD accounts with multiple owners and beneficiaries

Account Title	Account Balance	Amount Insured	Amount Uninsured
Husband and Wife POD 3 Children	$ 600,000	$ 600,000	$ 0
Husband POD Wife	100,000	100,000	0
Wife POD Husband	100,000	100,000	0
Husband POD Brother and Father	200,000	200,000	0
Husband and Wife POD Grandchild	300,000	200,000	100,000
Total	**$ 1, 300,000**	**$ 1, 200,000**	**$ 100,000**

Explanation:
All but one account is fully insured. The account owned by the husband and wife for one grandchild is only insured up to $200,000 because each owner is only entitled to $100,000 insurance coverage for each qualifying beneficiary.

Living Trust Accounts

Living trust accounts are insured up to $100,000 per owner for each beneficiary if all of the following requirements are met:

1. The account title at the bank must indicate that the account is held by a living trust. This rule can be met by using the terms "living trust," "family trust," or similar language in the account title.
2. The beneficiaries must be "qualifying" as defined on page 11.

Note that living trust coverage is based on the interests of qualifying beneficiaries who would become entitled to receive trust assets when the trust owner dies (or if the trust is jointly owned, when the last owner dies). This means that, when determining coverage, the FDIC will ignore any trust beneficiary who would have an interest in the trust assets only after another living beneficiary dies.

If a living trust has multiple beneficiaries, the FDIC will assume the beneficiaries' interests are equal unless otherwise stated in the trust. For example, if a father has a living trust leaving all trust deposits equally to his three children, the trust's account would be insured up to $300,000 since there are three qualifying beneficiaries who would inherit the trust deposits equally when the owner dies.

If any of the requirements are not met:

☛ The account would not be insured under the revocable trust category. The account, or the portion of the account that does not qualify, would be added to the owner's other single accounts, if any, at the same insured bank and insured up to $100,000.

☛ If the account has more than one owner, the FDIC would insure each owner's share as his or her single account.

If some beneficiaries meet the relationship requirements and all other requirements are met, the interests of the qualifying beneficiaries would be insured under the revocable trust category. The interests of the nonqualifying beneficiaries would be added to the owner's other single accounts, if any, at the same bank and the total insured up to $100,000.

Some living trusts give a beneficiary the right to receive income from the trust or to use trust assets during the beneficiary's lifetime (known as a life estate interest). When the beneficiary with the life estate interest dies, the remaining assets pass to other beneficiaries. Unless otherwise indicated in the trust, the FDIC will assume that a beneficiary with a life estate interest has an equal share of the trust with the other beneficiaries. For example, a husband has a living trust giving his wife a life estate interest in the trust deposits with the remainder going to their two children equally upon his wife's death. Deposits for this trust would be insured up to $300,000 ($100,000 for each qualifying beneficiary – the wife and two children).

Some living trusts allocate unequal interests to the beneficiaries. For example, a father has a revocable trust providing that upon his death, the funds pass to his two children, but not on an equal basis – Henry (child 1) has a 2/3 interest and Ed (child 2) has a 1/3 interest.

For the deposits in this trust account to be fully insured, the funds attributable to the beneficiary with the largest interest cannot exceed $100,000. In this example, the father can place up to $150,000 of deposits in this trust account and be fully insured. Since Henry holds a 2/3 interest in the trust deposits, Henry's interest is $100,000 (2/3 of $150,000) and his brother's interest is $50,000 (1/3 of $150,000).

The $100,000 per beneficiary insurance limit applies to all formal and informal revocable trust accounts that an owner has at the same bank. For example, if a father has a POD account naming his son and daughter as beneficiaries and he also has a living trust account naming the same beneficiaries, the funds in both the POD and living trust accounts would be added together and the total insured up to $200,000 ($100,000 per qualifying beneficiary).

Irrevocable Trust Accounts

Irrevocable trust accounts are deposits held by a trust established by statute or a written trust agreement in which the creator of the trust (grantor/settlor) contributes funds or property and gives up all power to cancel or change the trust.

The interests of a beneficiary in all deposit accounts established by the same grantor and held at the same insured bank under an irrevocable trust are added together and insured up to $100,000, provided all of the following requirements are met:

1. The insured bank's deposit account records must disclose the existence of the trust relationship.
2. The beneficiaries and their interests in the trust must be identifiable from the deposit account records of the bank or from the records of the trustee.
3. The amount of each beneficiary's interest must not be contingent as defined by FDIC regulations.
4. The trust must be valid under state law.

A beneficiary does not have to be related to the grantor to obtain insurance coverage under the irrevocable trust category.

When the identity or ownership interests of the beneficiaries cannot be determined, insurance coverage is limited to $100,000 for the trust as a whole.

If the grantor retains an interest in the trust, the amount of the grantor's interest would be added to any single accounts owned by the grantor and the total insured up to $100,000.

Employee Benefit Plan Accounts

Employee benefit plan accounts are deposits of a pension plan, profit-sharing plan or other employee benefit plan that is not self-directed.

Employee benefit plan deposits are insured up to $100,000 for each participant's interest in the plan if certain requirements are met. This coverage is known as "pass-through" insurance because the insurance coverage passes through the plan administrator to each participant's interest or share.

The availability of pass-through coverage depends on the capital condition of the insured bank where the deposits are placed. If you are a plan participant and you want to know more about how your plan's deposits are insured, consult your plan administrator.

Coverage for a plan's deposits is not based on the number of participants, but rather on each participant's share of the plan. Because plan participants normally have different interests in the plan, you cannot simply multiply the number of participants times $100,000 to determine coverage. A simple way to determine the maximum amount a plan can have on deposit and still be fully insured, is to identify the participant with the largest percentage share, then divide $100,000 by that percentage.

Example

Employee benefit plan that qualifies for "pass-through" coverage

Account Title	Balance
Happy Pet Clinic Benefit Plan	$250,000

Plan Participants	Plan Share	Share of Deposit	Amount Insured	Amount Uninsured
Dr. Todd	40%	$ 100,000	$ 100,000	$ 0
Dr. Jones	35%	87,500	87,500	0
Tech Evans	15%	37,500	37,500	0
Tech Barnes	10%	25,000	25,000	0
Plan Total	**100%**	**$ 250,000**	**$ 250,000**	**$ 0**

Explanation:
This employee benefit plan can deposit a maximum of $250,000 in a single bank and have all of its participants fully insured. The $250,000 deposit results in Dr. Todd (the largest participant) being insured for $100,000 (40% of $250,000). When Dr. Todd is fully insured, the rest of the staff will be insured, since they have smaller shares of the plan.

Corporation/Partnership/ Unincorporated Association Accounts

Corporations, partnerships, and unincorporated associations, including for-profit and not-for-profit organizations, are insured under the same ownership category.

To qualify for coverage under this category, a corporation, partnership, or unincorporated association must be engaged in an "independent activity," meaning that the entity is operated primarily for some purpose other than to increase insurance coverage.

Deposits owned by a corporation, partnership, or unincorporated association are insured up to $100,000, separately from the personal accounts of the entity's stockholders, partners, or members.

Accounts owned by the same corporation, partnership, or unincorporated association but designated for different purposes are not separately insured. Instead, such accounts are added together and insured up to $100,000. For example, if a corporation has divisions or units that are not separately incorporated, the deposit accounts of those divisions or units would be added to any other deposit accounts of the corporation and the total insured up to $100,000.

The number of partners, members or signatories that a corporation, partnership, or unincorporated association has does not affect coverage. For example, funds owned by a homeowners association are insured up to $100,000 in total, not $100,000 for each member of the association.

Unincorporated associations typically insured under this category include churches and other religious organizations, community and civic organizations, and social clubs.

Accounts in the names of sole proprietorships (for example, “DBA accounts”) are not insured in this category. Rather, they are added to the owner’s other single accounts, if any, at the same insured bank and the total is insured up to $100,000. (See page 6.)

Public Unit Accounts

Public unit accounts are deposit accounts of:

- **The United States**
- **Any state, county, municipality (or a political subdivision of any state, county, or municipality), the District of Columbia, Puerto Rico and other government possessions and territories**
- **An Indian tribe**

Insurance coverage of a public unit account differs from a corporation, partnership, or unincorporated association account in that the coverage extends to the official custodian of the funds belonging to the public unit rather than the public unit itself.

Each official custodian of time and savings accounts (including interest-bearing NOW accounts) of a public unit is insured up to $100,000.

Additionally, demand deposits in an insured bank located in the same state as the public unit are separately insured up to $100,000. The same official custodian may receive up to $200,000 in insurance coverage – $100,000 in time and savings deposits and $100,000 in demand deposits – provided the funds are held in an insured bank located in the same state as the public unit. Demand deposits maintained by an official custodian of the United States will be insured separately from any time deposits maintained by the same custodian at the same insured bank, regardless of the state in which the insured bank is located.

Public unit funds maintained in any out-of-state bank – whether time, savings or demand deposits – are limited to a maximum of $100,000 in coverage per official custodian.

Frequently Asked Questions About FDIC Insurance

General Questions

1. How can I tell whether my bank is insured?

Insured banks must display an official sign at each teller window or station where deposits are regularly received. You can also find out whether a particular bank or savings association has FDIC insurance coverage by contacting the FDIC using one of the resources listed on the back cover of this guide.

2. Whose deposits does the FDIC insure?

Any person or entity can have FDIC deposit insurance in an insured bank located in the United States. You do not have to be a U.S. citizen or resident to have deposits insured by the FDIC.

3. Does FDIC insurance protect creditors and shareholders?

FDIC insurance only protects depositors, although some depositors may also be creditors or shareholders of an insured bank.

4. Does the FDIC insure all investments sold by an insured bank?

The FDIC does not insure the money you invest in stocks, bonds, mutual funds, life insurance policies, annuities, or municipal securities, even if you bought these products from an insured bank.

The FDIC also does not insure U.S. Treasury bills, bonds, or notes, but those are backed by the full faith and credit of the U.S. government – the strongest guarantee you can get.

5. How long does the FDIC take to pay insurance on deposits after an insured bank fails?

Federal law requires the FDIC to make payment as soon as possible. Historically, the FDIC pays insurance within a few days after a bank closing either by establishing an account at another insured bank or by providing a check. Deposits purchased through a broker may take longer to be paid because the FDIC may need to obtain the broker's records to determine insurance coverage.

Customers with uninsured deposits receive the insured portion of their account as described above. They will wait longer to receive payment for some or all of their uninsured funds. The amount of uninsured funds they may receive, if any, is based on the sale of the failed bank's assets. Depending on the quality and value of these assets, it may take several years to sell the assets. As assets are sold, uninsured depositors receive periodic payment on their uninsured deposit claim.

6. Does the FDIC insure an unpaid cashier's check, interest check, money order, or expense check issued by an insured bank?

If you hold one or more of these items from an insured bank, and the insured bank fails before you cash the item elsewhere, the FDIC will add the item to any other deposits that you hold in the same ownership category at the same insured bank. For example, an outstanding interest check payable to you will be added to your other single ownership accounts, if any, and the total insured up to $100,000.

7. Does the FDIC insure safe deposit boxes if a bank fails?

The FDIC does not insure safe deposit boxes or their contents. In the event of a bank failure, the FDIC in most cases arranges for an acquiring bank to take over the failed bank's offices, including locations with safe deposit boxes. If no acquirer is found, boxholders would be sent instructions for removing the contents of their boxes.

8. How does the FDIC determine ownership of funds?

The FDIC presumes that funds are owned as shown on the deposit account records of the insured bank. The deposit account records of an insured bank include account ledgers, signature cards, certificates of deposit, passbooks, and certain computer records. Account statements, deposit slips and cancelled checks are not considered deposit account records for purposes of determining deposit insurance coverage.

9. When an insured bank fails, what evidence will the FDIC require to determine the amount of insurance coverage for a living trust account?

If an insured bank fails, the FDIC would look to the account title to determine whether an account is held by a living trust. The FDIC would then ask the owner to provide a copy of the trust document, which the FDIC would review to identify the beneficiaries and determine their interests in the account. The owner also may be required to complete an affidavit attesting to the relationship of the beneficiaries to the trust owner.

Note that to qualify for coverage in the revocable trust account category, the account title must indicate that the funds are held by a revocable trust. This requirement may be met by including the terms "living trust" or "family trust" in the account title, or by including other words or acronyms indicating that the account is held by a trust.

10. Can I increase my insurance coverage by depositing funds with different insured banks?

Your deposits with each FDIC-insured bank are insured separately from any deposits you have at another insured bank. If an insured bank has branch offices, the main office and all branch offices are considered one insured bank – you cannot increase insurance coverage by placing deposits at different branches of the same insured bank. Similarly, deposits held with the Internet division of an insured bank are considered the same as funds deposited with the "brick and mortar" part of the bank, even if the Internet division uses a different name.

11. Can I increase my insurance coverage by dividing my deposits into several different accounts at the same insured bank?

Deposit insurance coverage can be increased only if the accounts are held in different categories of ownership. These categories include single accounts, self-directed retirement accounts, joint accounts and revocable trust accounts. The requirements for obtaining separate insurance coverage in the ownership categories are explained elsewhere in this booklet.

12. Can I increase coverage for my joint accounts by using a different co-owner's Social Security number on each account or changing the way the owners' names are listed on the accounts?

Using different Social Security numbers, rearranging the order of names listed on accounts, or substituting "and" for "or" in joint account titles does not affect the amount of insurance coverage available to co-owners of joint accounts.

Death of an Account Owner or Beneficiary

13. What happens to deposit insurance coverage after an account owner dies?

The FDIC insures a deceased person's accounts as if they were still alive for another six months. During this grace period, the insurance coverage of the owner's accounts will not change unless the accounts are restructured by those authorized to do so. Also, the FDIC will not apply this grace period if it would result in less coverage.

14. How does the death of a beneficiary of a POD account affect insurance coverage?

There is no grace period if a beneficiary (or all beneficiaries) of a POD account passes away. The funds in the account would immediately be insured as the single ownership funds of the account owner. If one or more, but not all, beneficiaries pass away, the insurance coverage of the POD account would be reduced because there are fewer beneficiaries.

Merger of Insured Banks

15. What happens to my coverage if I have deposits at two insured banks that merge?

When two or more insured banks merge, the deposits from the assumed bank continue to be insured separately for at least six months after the merger. This grace period gives a depositor the opportunity to restructure his or her accounts, if necessary.

CDs from the assumed bank are separately insured until the earliest maturity date after the end of the six-month grace period. CDs that mature during the six-month period and are renewed for the same term and in the same dollar amount (either with or without accrued interest) continue to be separately insured until the first maturity date after the six-month period. If a CD matures during the six-month grace period and is renewed on any other basis, it would be separately insured only until the end of the six-month grace period.

Fiduciary Accounts

16. What are fiduciary accounts?

These are deposit accounts owned by one party but held in a fiduciary capacity by another party. Fiduciary relationships may include, but are not limited to, an agent, nominee, guardian, executor, or custodian. Common fiduciary accounts include Uniform Gift to Minors Accounts (UGMA), escrow accounts, Interest On Lawyer Trust Accounts (IOLTA), and deposit accounts obtained through a broker.

17. What are the FDIC disclosure requirements for fiduciary accounts?

The fiduciary nature of the account must be disclosed in the bank's deposit account records (e.g., "Jane Doe as Custodian for Susie Doe" or "First Real Estate Title Company, Client Escrow Account"). The name and ownership interest of each owner in the account must be ascertainable from the deposit account records of the insured bank or from records maintained by the agent (or by some person or entity that has agreed to maintain records for the agent).

Special disclosure rules apply to multi-tiered fiduciary relationships. If an agent pools the funds of several owners into one account and the disclosure rules are satisfied, the funds of each owner will be insured as that owner's funds.

18. How does the FDIC insure funds deposited by a fiduciary acting on behalf of an individual?

Funds deposited by an agent on behalf of an individual (the actual owner) are added to the individual's other single accounts, if any, at the

same insured bank and the total is insured up to $100,000. If an agent (e.g., a title company or an attorney) makes a deposit on your behalf, you should ask where the agent is placing the funds since the deposit may be added to any accounts you may already have at the same insured bank.

19. How does the FDIC insure funds deposited by a fiduciary on behalf of two or more people?

Funds held by an agent, nominee, guardian, custodian, or conservator on behalf of two or more joint owners are insured as the joint accounts of those people (assuming the FDIC's requirements for joint accounts are satisfied). The funds are added to any jointly owned accounts they may have at the same insured bank and the total is insured up to $100,000 for each owner.

20. How are CDs purchased from a broker insured?

A CD issued by an insured bank that is purchased by a broker on behalf of one or more persons or entities (the owner) is insured as the deposits of the owner if the broker meets the disclosure requirements for fiduciary accounts. (See no.17.) The brokered deposit would be added to any other deposits of the owner (or owners) at the same insured bank and the total would be subject to the insurance limit for the applicable ownership category.

21. How does FDIC insurance cover funds deposited for a deceased person's estate?

Funds deposited by an executor or administrator for a deceased person's estate are added to any funds maintained in the name of the deceased person at the same bank, if any, and the total is insured up to $100,000. Funds belonging to the estate of the deceased person, whether held in the name of the deceased or deposited by the executor or administrator, are insured separately from the funds owned by the executor, administrator, or beneficiaries of the estate. Decedent accounts are not insured on a per-beneficiary basis; they are insured up to $100,000 as the funds of the estate.

For More Information from the FDIC

Call toll-free at:
1-877-ASK-FDIC (1-877-275-3342)
from 8 am until 8 pm (Eastern Time)
Monday through Friday

Hearing Impaired Line:
1-800-925-4618

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