

Your Investments: Consumer Facts About Investments

Your investments

Consumer facts about Investments
that are not deposits and are not insured
by the FDIC

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Traditional Depository Institution Products

Depository institutions (banks and thrifts) have traditionally offered consumers deposit products, such as checking, savings and money market deposit accounts, and certificates of deposit (CD's) for which each depositor is insured by the FDIC up to \$100,000.

Increasingly, these institutions are also offering consumers a broad array of investment products that are not deposits, such as mutual funds, annuities, life insurance policies, stocks and bonds. Unlike the traditional checking or savings account, however, these nondeposit investment products are not insured by the FDIC.

Nondeposit Investment Products

These products may be offered to you in the financial institution's lobby, through the mail or over the phone or through the Internet. Most often, the people selling these products are not financial institution employees, but employees of third-party securities broker/dealers or insurance companies.

To assure that sales representatives fully inform you about nondeposit investment products, the FDIC and other Federal banking agencies have issued guidelines to financial institutions that describe the information you must be told about the risks associated with these products. The mandatory disclosures are listed below.

When you meet or talk with a sales representative about nondeposit investment products, you should be informed that:

“This product is not insured by the Federal Deposit Insurance Corporation”

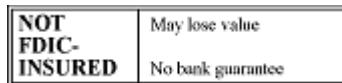
“This product is not a deposit or other obligation of, or guaranteed by, the bank”

“This product is subject to investment risks, including possible loss of the principal amount invested”

Sales representatives must make these disclosures to you orally and/ or in writing whenever they make a presentation, provide investment advice concerning a nondeposit investment product, or open an investment account for you.

Any advertisements and other promotional materials you receive must disclose that the product is not a deposit, is not insured by FDIC, and is subject to investment risks.

Look for the logo disclosure (see below) in visual media such as television broadcasts, ATM screens, billboards, signs, posters, and in written advertisement and promotional materials such as brochures.



It's important to remember that there are generally higher risks associated with nondeposit investment products than with the traditional deposit products, such as savings and interest bearing checking accounts. Nondeposit investment products are not FDIC-insured so you could lose some of the money you invested or not gain as much profit as you expected.

Investment Counseling

Sales of nondeposit investment products on the premises of a financial institution should be conducted in a physical location distinct from the area where insured deposits are taken. The investment sales area should be distinguished from the deposit-taking area by signs or other means.

Tellers and other financial institution employees located in the deposit-taking area may not make general or specific recommendations regarding nondeposit investment products or accept orders for these products. However, these employees may refer you to an individual who is specifically designated and trained to assist you.

When shopping for a nondeposit investment product, look for one that suits your investment goals and objectives, your financial and tax status, the amount of risk you're willing to take, and the time horizon you've set for your investment portfolio.

Don't hesitate to provide the salesperson with this information. He or she needs to know about your financial objectives before recommending a product that suits you.

Insurance Coverage

Sales presentations and advertisements about nondeposit investment products should not suggest or imply that any alternative insurance coverage is the same as or similar to FDIC insurance.

For example, securities sales may be insured by the Securities Investor Protection Corporation (SIPC). If the investment firm holding your securities is an SIPC member, your investment account is protected if the SIPC member fails. SIPC coverage is not the same as FDIC insurance protection and does not insure against a decrease in value of a particular investment.

For more information contact:

Securities Investor Protection Corporation

805 15th Street, NW

Room 800

Washington, DC 20005

(202) 371-8300

How to Protect Yourself

- Never invest in a product that you don't understand.
- Be sure you have enough information before making an investment. Ask questions until you are satisfied.
- Understand the risks involved in your investment. Investments always entail some degree of risk.
- Know who is investing your money—does the salesperson work for the bank or a third-party broker/dealer?
- Select a sales representative who understands your financial objectives by interviewing two or three to compare experience, education, and professional background.

Find out more about a sales representative or broker/dealer by calling:

The National Association of Securities Dealers

(800) 289-9999

How to File a Complaint

Try to resolve your complaint directly with an officer of the bank before involving an outside agency. Financial institutions value their customers and most will be helpful. If you are unable to resolve the matter with the financial institution, use the following guidelines to determine where to direct your complaint.

If your complaint is against a salesperson who represents a third-party investment firm, call the number below for instructions on where to write:

National Association of Securities Dealers (NASD)
(301) 590-6500
Internet: <http://www.nasdr.com>

If your complaint or inquiry is about a specific financial product or investment, contact:

Securities and Exchange Commission (SEC)
Office of Investor Education and Assistance
450 5th Street, NW
Mail Stop 11-2
Washington, DC 20549
(202) 942-7040 or
(800) SEC-0330
Internet: <http://www.sec.gov>
E-mail: Help@sec.gov

If your complaint is about a financial institution or an employee of the financial institution, contact one of the federal agencies listed below.

If the financial institution is a state-chartered bank and not a member of the Federal Reserve System, contact:

Federal Deposit Insurance Corporation
Division of Compliance and Consumer Affairs
550 17th Street, NW
Washington, DC 20429
(800) 934-3342
Internet: <http://www.fdic.gov>

If the financial institution is a national bank, contact:

Comptroller of the Currency
Compliance Management
250 E Street, SW
Mail Stop 3-9
Washington, DC 20219
(800) 613-6743
Internet: <http://www.occ.treas.gov>

If the financial institution is a state-chartered member of the Federal Reserve System, contact:

Board of Governors of the
Federal Reserve System
Division of Consumer
and Community Affairs
20th and C Streets, NW
Washington, DC 20551
(202) 452-3693
Internet: <http://www.federalreserve.gov>

If the financial institution is a thrift or a savings institution, contact:

Office of Thrift Supervision
Consumer Affairs
1700 G Street, NW
Washington, DC 20552
(202) 906-6237
(800) 613-6743
Internet: <http://www.ots.treas.gov/>

Questions?

Call

FDIC Consumer Affairs
(800) 934-3342
(800) 925-4618 (TDD)

Visit

FDIC on the Internet
Internet: <http://www.fdic.gov>

Or for Customer Assistance

<http://www.fdic.gov/consumers/questions/customer/index.html>

This brochure is intended to present information in a nontechnical way and is not intended to be a legal interpretation of FDIC regulations and policies

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Washington, DC