FDIC

Federal Deposit Insurance Corporation
550 17th Street NW, Washington, DC 20429-9990

Financial Institution Letter
FIL-45-2012
November 5, 2012

NOTICE OF EXPIRATION
Temporary Unlimited Coverage for Noninterest-Bearing Transaction Accounts

Summary: Pursuant to Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), temporary unlimited deposit insurance coverage for noninterest-bearing transaction accounts (NIBTAs), including Interest on Lawyer Trust Accounts, is scheduled to expire on December 31, 2012. Absent a change in law, beginning January 1, 2013, the FDIC no longer will provide separate, unlimited deposit insurance coverage for NIBTAs at insured depository institutions (IDIs). IDIs are encouraged to take reasonable steps to provide adequate advance notice to NIBTA depositors of the changes in FDIC insurance coverage so that they may consider the impact of any change in coverage in their management of these transaction accounts.

Statement of Applicability to Institutions Under $1 Billion in Total Assets: This Financial Institution Letter (FIL) applies to all IDIs, including those with under $1 billion in assets.

Distribution:
FDIC-Insured Institutions

Suggested Routing:
Chief Executive Officer
Chief Financial Officer
Head of Deposit and Branch Operations
Chief Compliance Officer
Training Officer

Related Topics:
Deposit Insurance Regulations (12 C.F.R Part 330)

Attachment:
Notice of Expiration: Temporary Unlimited Coverage for Noninterest-Bearing Transaction Accounts

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For questions about Call Reports, call 800-688-3342 or email insurance-research@fdic.gov.

Note:
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Paper copies may be obtained through the FDIC's Public Information Center, 3501 Fairfax Drive, E-1002, Arlington, VA 22226 (1-877-275-3342 or 703-562-2200).

Highlights:
Section 343 of the Dodd-Frank Act provides separate, unlimited FDIC coverage for NIBTA depositors through December 31, 2012. Beginning January 1, 2013, the FDIC will insure NIBTAs in accordance with 12 C.F.R. Part 330, which generally provides each depositor up to $250,000 in coverage at each separately chartered IDI.

Some NIBTA depositors may not be aware of the reduction in coverage. To ensure NIBTA depositors receive adequate advance notice of this insurance coverage change, we encourage IDIs to:

- Provide NIBTA depositors adequate advance notice in writing that the temporary unlimited coverage for NIBTA deposits is scheduled to expire on December 31, 2012, and thereafter the FDIC will insure NIBTAs up to $250,000 per depositor. (Model notice language is attached.)
- Remove from their main offices, branches, and Web sites the "Notice of Changes in Temporary FDIC Insurance Coverage for Transaction Accounts" required by 12 C.F.R. § 330.16(c)(1).
- Review NIBTA account agreements and related disclosure statements, and modify the documents as necessary to reflect accurately NIBTA coverage on January 1, 2013.

Call Report items and instructions for NIBTAs will remain in effect for the December 31, 2012 Call Report. (See below for more information.)

Additional guidance will be provided if Congress modifies coverage for NIBTAs.