



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

## Financial Institution Letter

FIL-6-2011

February 9, 2011

# Proposed Rule Requiring Certain Bank Staff to Complete FDIC-Provided Training on Deposit Insurance Coverage

**Summary:** The FDIC Board of Directors has approved the attached notice of proposed rulemaking that would require certain employees of insured depository institutions (IDIs) to complete training on the fundamentals of FDIC deposit insurance coverage. In addition, the proposed rule would require IDI employees, when opening deposit accounts, to provide customers with the FDIC's publication, Deposit Insurance Summary, if the customer will have more than the Standard Maximum Deposit Insurance Amount (SMDIA)— \$250,000—at the institution. The proposed rule also would require every IDI to provide a link to the FDIC's Electronic Deposit Insurance Estimator (EDIE) on its Web sites. The FDIC believes the proposed rule would achieve the balance of minimizing regulatory burden with ensuring that depositors are better informed. The FDIC welcomes comment on the proposed rule for 60 days.

**Distribution:**  
FDIC-Insured Institutions

**Suggested Routing:**  
Chief Executive Officer  
Chief Financial Officer  
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Chief Compliance Officer  
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Regulatory Report Preparer

**Related Topics:**  
Deposit Insurance Coverage  
12 C.F.R. Part 330

**Attachment:**  
Notice of Proposed Rulemaking  
Access FDIC's [Electronic Deposit Insurance Estimator](#) or [Deposit Insurance Summary](#) brochure

**Contact:**  
Catherine Ribnick, Counsel, at CRibnick@fdic.gov or (202) 898-6803; or Martin Becker, Senior Consumer Affairs Specialist, at MBecker@fdic.gov or (202) 898-6644..

**Note:**  
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Paper copies of FDIC financial institution letters 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:

- The FDIC believes it is critical for depositors and IDI employees to have access to accurate deposit insurance information. Each year, the FDIC receives tens of thousands of inquiries from depositors and IDI employees who need information about FDIC insurance coverage. Many depositors report they were unable to get the information they need from their IDI and some report receiving inaccurate information. The FDIC is concerned that this situation could result in financial harm to depositors and could undermine confidence in the federal deposit insurance system.
- The proposed rule would address these concerns by requiring all IDI employees with the authority to open accounts and/or respond to customer questions about deposit insurance coverage to complete a computer-based training module, provided by the FDIC, on the basic principles of FDIC deposit insurance coverage.
- In addition, the proposed rule would require IDIs, when opening new deposit accounts, to ask whether the customer has other accounts at the IDI and whether the customer's aggregate deposits may exceed the SMDIA. If the customer's deposits may exceed the SMDIA, the IDI would be required to provide the customer with a copy of FDIC's publication, Deposit Insurance Summary.
- The rule also would require IDIs to provide a link to the FDIC's Electronic Deposit Insurance Estimator on their Web sites (if any).

**Proposed Rule Requiring Certain Bank Staff to Complete FDIC-Provided Training on Deposit Insurance Coverage**

The FDIC receives tens of thousands of telephone calls, emails, and correspondence annually from depositors and employees of insured depository institutions (IDIs) seeking information and advice about FDIC deposit insurance coverage. These inquiries reveal that many depositors are unsure whether their deposits are covered in full by FDIC insurance, and that IDI employees often are unfamiliar with the limits that apply to deposit insurance coverage. In addition, the FDIC regularly receives complaints from IDI customers asserting that their IDI was unable to answer their deposit insurance questions or, in some cases, may have provided inaccurate deposit insurance guidance.

FDIC regulations currently do not require employees at IDIs to receive training in the basic principles of FDIC deposit insurance coverage or to assist customers in ascertaining whether their deposits are fully covered by federal deposit insurance. The FDIC is concerned that inaccurate deposit insurance information could cause financial harm to depositors and have the potential to undermine customer confidence in the federal deposit insurance system.

Since many depositors' first inquiry about deposit insurance coverage is with their IDI, it is important that IDI employees who open new accounts or provide deposit insurance information to customers receive training in the fundamentals of FDIC deposit insurance coverage. Knowledge of FDIC deposit insurance rules and resources will help IDI employees answer customer questions about their deposit insurance coverage, which in turn will help ensure that depositors have the information they need to make informed decisions about the amount of insurance coverage they have for funds deposited in IDIs.

The proposed rule has three requirements:

1. It would require certain IDI staff to complete a computer-based training module, provided by the FDIC, on the basic principles of FDIC deposit insurance coverage. This training would be required for all IDI employees with the authority to open accounts and/or respond to customer questions about deposit insurance coverage. The proposal would require that the training be completed within 30 days of beginning employment for all new employees covered by the rule, within 60 days of the effective date of the rule for current employees, and annually thereafter for all covered employees.

The FDIC would provide the training to IDIs in the form of a computer-based training module that would be self-administered by covered employees. The FDIC will provide the training module to IDIs at no cost. The FDIC estimates that the average time required for an IDI employee to complete the training is 120 minutes, and most employees should be able to complete the training within two hours.

2. The proposed rule would require IDI staff, when opening a new deposit account, to ask whether the customer has other accounts at the institution and whether the aggregate deposits may exceed the Standard Maximum Deposit Insurance Amount (SMDIA). If the customer's deposits at the IDI may exceed the SMDIA, the IDI would be required to provide the customer with a copy of FDIC's publication, *Deposit Insurance Summary*. The rule would not require an IDI to provide counsel or advice to the customer regarding how to structure multiple deposit accounts to maximize deposit insurance coverage.

The rule would apply to all types of deposit accounts opened by a customer, with the exception of pass-through accounts for which the IDI does not, in the normal course of business, keep records of the beneficial owners. The rule would not impose a deposit insurance training requirement on third parties (e.g., deposit brokers or affinity groups) that directly or indirectly promote the deposit of funds in a specified IDI. However, the FDIC urges any entity that encourages or facilitates the placement of deposits in IDIs to provide appropriate information in response to client inquiries regarding FDIC deposit insurance coverage.

3. The proposed rule would require all IDIs to provide a link to the FDIC Electronic Deposit Insurance Estimator (EDIE) on their Web sites (if any).

The FDIC believes the proposed rule would impose minimal burden on institutions and this burden would be more than offset by the benefits to be realized by depositors and by the IDIs themselves. The Corporation will remain, of course, the principal resource on deposit insurance coverage.

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