



NEWS RELEASE

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FDIC LAUNCHES NEWSLETTER ON CONSUMER ISSUES

The FDIC today introduced FDIC Consumer News, a quarterly newsletter with tips and other information of interest to bank customers.

"We believe this publication will quickly become an important part of the FDIC's efforts to educate bankers, consumers, FDIC employees and others about the latest regulatory developments," FDIC Chairman Andrew C. Hove, Jr., said in the premier issue.

The newsletter will highlight topics most closely associated with the FDIC, such as deposit insurance, but also will cover a wide range of issues affecting FDIC-insured institutions and their customers.

The first issue features a special report to help consumers avoid costly mistakes under the insurance rules. Noting the FDIC's concerns about the large number of depositors with funds over the \$100,000 insurance limit, and the increased number of depositors' complaints that bank personnel gave them wrong information about their coverage, the report includes stories on:

- o The 10 most common misconceptions that have put consumers over the \$100,000 limit and cost them money when their bank failed. (Confusion about the rules governing joint accounts presents the most problems, by far.)
- o The best times for consumers to check on their deposit insurance coverage. (Tip: Review your coverage after the death of a spouse or other loved one, because certain deposits of the deceased could automatically become yours and put your accounts over \$100,000.)

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- o New deposit insurance rules that take effect December 19, 1993. (Note: Most of the rule changes involve retirement and other employee benefit plan accounts.)

Other topics in the first issue of FDIC Consumer News include federal efforts to increase lending to low- and moderate-income neighborhoods, new disclosures for deposit accounts and mutual funds sold by banks, and a new consumer protection law on unclaimed funds. The second issue, scheduled to be published early next year, tells readers how to buy a home or other real estate from the FDIC and how to protect against credit card fraud.

Each issue of the newsletter also will include the addresses and phone numbers of the various government agencies where consumers can get information or other help regarding their rights under the banking laws.

Consumers, consumer organizations and others interested in receiving FDIC Consumer News on a regular basis should write to the FDIC at 550 17th Street, N.W., Room 7118, Washington, DC 20429. There is no charge for the publication.

Each FDIC-insured institution will be mailed the first issue of the newsletter and will have the option to continue receiving it. "We also are encouraging banks and savings associations to make the newsletter or selected information in it available to their customers and employees," said Alan J. Whitney, Director of the FDIC's Office of Corporate Communications, which is producing the newsletter in cooperation with other FDIC divisions and offices.

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