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Message from the FDIC



Recent turmoil in the nation's financial markets reinforces the need for all individuals – regardless of income or educational level – to understand how to save, spend, and borrow wisely. Without a basic understanding of personal finance principles, today's daily business headlines can cause unnecessary worry and prompt individuals to make hasty and unsound financial choices. This issue of *Money Smart News* includes information to help consumers make informed and appropriate financial decisions.

In an important development, legislation has been enacted that temporarily increases the basic FDIC deposit insurance limit to \$250,000. This issue of *Money Smart News* highlights this change and reinforces the fact that the FDIC guarantee remains. No one has ever lost a dollar of insured deposits, and no one ever will.

This issue also mentions that how FDIC-supervised banks can more easily become involved in school financial education programs that will help young people learn and practice sound banking habits. Our readers will learn how essay contests can help reinforce the effects of positive financial choices. And finally, we invite you to a conference that will help educators gain successful strategies for promoting financial services to the unbanked and underserved.

The FDIC, through deposit insurance and our *Money Smart* program, is working with financial educators to give individuals the confidence they need to safely manage their money. As always, we encourage you to contact your [FDIC Regional Community Affairs Officer](#) with your questions and suggestions.

Sandra L. Thompson

Director

FDIC Division of Supervision and Consumer Protection

New FDIC Rule Encourages Financial Education

A newly enacted rule will make it easier for FDIC-supervised banks to offer deposit and lending services as part of school financial education programs -- without having to file a branch application. ([Read more -- PDF PDF Help](#))

Personal Statements and Essay Contests: Sharing Money Smarts and Success Stories the "Write" Way

Have you ever thought about asking your students to participate in an essay contest as part of a financial education program? One FDIC *Money Smart* partner asks the class to write an essay about how their training has made a positive change in their lives. The winners receive a monetary award and are honored at a special luncheon. However, every student benefits from the experience as they learn from the financial experiences of their peers. To learn more about conducting an essay contest, see this installment of our *Money Smart* "Success Stories." ([Read this story and tips.](#))

FDIC Report Highlights Suggestions for Expanding Mortgage Loans to Low- and Moderate-Income Households

On September 4, the FDIC issued a report on ways mortgage lenders can responsibly and profitably expand the availability of home loans to low- and moderate-income borrowers. The report summarizes best practices that came about as a result of an FDIC forum on problems in the U.S. mortgage market, including a discussion about how financial education can help individuals make sound home buying decisions. ([Read the report.](#))

FDIC-Led Alliance Helping the Unbanked and Underserved to Hold National Conference

The FDIC's Alliance for Economic Inclusion (AEI), launched in 2007 to establish broad-based support to move the unbanked and underserved populations into the financial mainstream, will host its first national conference February 3-5, 2009, in Arlington, Virginia. The conference will highlight best practices that have come out of AEI initiatives that have targeted 50,000 consumers and generated more than 60,000 new bank accounts. Conference attendees will receive a toolkit with resources. For registration information, go to <http://www.fdic.gov/consumers/community/AEI/national.html>.

FDIC Insurance Coverage Increased: An Update and Resources for Financial Educators

On October 3, 2008, Congress temporarily increased the basic limit on federal deposit insurance coverage from \$100,000 to \$250,000. Educators and consumers undoubtedly have many questions, and the FDIC has developed resources to help explain this fundamental change in insurance coverage. The FDIC has launched a Web site -- myFDICinsurance.gov -- that allows individuals to use an updated version of EDIE the Estimator (which calculates FDIC insurance coverage and identifies those deposits within or that exceed coverage limits). This same Web site also allows consumers to view the new public service announcements featuring personal finance expert Suze Orman. In addition, the FDIC is updating other deposit insurance coverage resources, such as our brochures "Insuring Your Deposits" and "Your Insured Deposits." (To read more, see <http://www.fdic.gov/deposit/deposits/index.html>). If your students do not have online access, they can call the FDIC for assistance toll-free at 1-877-ASK-FDIC.

How to "Get a Good Night's Sleep" with FDIC Insurance: Answers to Common Questions

Many consumers may be concerned about the condition of their bank, want to know if their deposits are fully protected, or wonder what could happen if a bank fails. The Summer 2008 issue of *FDIC Consumer News* includes answers to many such questions and explains that deposits are safe in an FDIC-insured account. Note: This issue of *FDIC Consumer News* was published before previously described increases in federal insurance coverage were adopted. Other articles explain what to do if a home equity line of credit has been reduced or frozen, how to avoid phone and fax fraud, and how to help protect the environment as you do your banking. The FDIC encourages financial institutions, financial educators and others to distribute the information in *FDIC Consumer News* by reprinting, linking to the material, or making copies and affixing their name or logo. Educators and their students also can subscribe free to the online version of this newsletter. ([See the latest newsletter and subscription information.](#))

Reminders

Send Us Your Success Stories

The FDIC wants to hear how *Money Smart* is making a difference. We're interested in finding out about your programs and procedures, tips and other information that *Money Smart* educators and partners might find useful. The best contributions may appear in a future issue of *Money Smart News*. [See our previously published success stories.](#) [Submit your stories](#) today!

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For More Help or Information

If you need additional assistance, [contact your regional Community Affairs Officer](#); or if you would like additional information on the *Money Smart* program, visit our [overview](#).

Past Issues

See other issues of the quarterly [Money Smart News](#) dating back to 2003.