



Frequently Asked Questions About the FDIC and Deposit Insurance

What is the FDIC?

- The FDIC protects deposits in FDIC insured banks. In the FDIC's 75 year history, no depositor has ever lost a penny of federally insured deposits.
- Through good times and bad, the FDIC has been there to protect depositors. We are calling on African Americans to check the FDIC coverage limits for their deposit accounts so they are confident their money is fully protected by the FDIC.

Whose deposits does the FDIC insure?

- Any person or entity can have FDIC deposit insurance in an insured bank located in the United States. A person does not have to be a U.S. citizen or resident to have deposits insured by the FDIC. Deposit insurance is automatic when you open up an account at an FDIC-insured bank. There is nothing you need to do to sign up for it.

What deposits or accounts does FDIC insurance cover?

- FDIC insurance covers deposits at an FDIC-insured bank, including deposits in checking, NOW, savings accounts, money market deposit accounts, and other deposits such as certificates of deposit (CDs) up to the insurance limit.
- If you (or your family) have \$250,000 or less in all of your deposit accounts at the same insured bank, you don't need to worry about your insurance coverage. Your money is protected dollar for dollar, including principal and any accrued interest, up to the insurance limit.
- The FDIC does **not** insure investments in stocks, bonds, mutual funds, life insurance policies, annuities, or municipal securities, even if a customer purchases them from an FDIC-insured bank or savings association.

Are the contents of safety deposit boxes insured by the FDIC?

- The FDIC does not insure safe deposit boxes or their contents. In the event of a bank failure, the FDIC in most cases arranges for an acquiring bank to take over the failed bank's offices, including locations with safe deposit boxes. If no acquirer is found, the FDIC would contact boxholders and provide them with instructions for removing the contents of their safe deposit boxes.

How can a depositor tell whether a bank is insured?

- Insured banks and savings associations must display an official FDIC sign at each teller window or station where deposits are regularly received.

What happens if my bank is closed? When will I get my money?

- In the unlikely event that your FDIC-insured bank fails, you don't need to worry... you will continue to have virtually uninterrupted access to all (100%) of your insured deposits.
- In the large majority of cases, the FDIC will find a healthy bank to assume the insured deposits of the failed bank. When this happens, depositors immediately become customers of the assuming (or "new") bank and have immediate access to their insured money. Depositors of the failed bank can begin transacting business at the new bank usually the next business day. It is business as usual for all customers whose deposits were within FDIC insurance limits.
- In the rare case when a healthy bank is not found to acquire the insured deposits of a failed bank, the FDIC will pay depositors directly by check up to the insured balance in each account. In such cases, it is the FDIC's goal to begin making deposit insurance payments within two business days of the failure of the insured institution.

What should people do if they are worried about the health of their bank? Should they change banks? Should they take their money out of the bank? If consumers are worried about their funds, what is the one thing they should NOT do?

- Consumers should always remember that their money is safe at an insured bank and they should **not** take their fully insured deposits out of an FDIC-insured bank.
- Economic conditions may change...but the one thing consumers can be sure of is that their FDIC-insured deposits are fully protected and that their money is safe regardless of the financial condition of their bank.
- If funds are withdrawn and kept at your home (or hidden someplace), that money is at risk of being lost, stolen or destroyed in a fire or flood.

How can I learn more about FDIC deposit insurance and know that my money is safe?

- If you have any questions, I urge you to visit our online deposit insurance calculator, EDIE at www.fdic.gov/edie.
- In just a few steps, EDIE can help you make sure that all of the money you have in bank deposit accounts is 100 percent FDIC-insured.