FDIC

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FEDERAL DEPOSIT INSURANCE CORPORATION
consumer **news**

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How Does the FDIC Protect Consumers?

Insure deposits, supervise institutions, address concerns, provide resources

The Federal Deposit Insurance Corporation (FDIC) is known for protecting depositors, but we do more to connect with and protect the public. The FDIC was created in 1933 in response to the thousands of bank failures during the Great Depression of the late 1920s and early 1930s. Since the start of FDIC insurance in 1934, no depositor has lost a single cent of insured funds.

What bank products does FDIC Deposit Insurance cover?

FDIC deposit insurance enables consumers to confidently place their money at FDIC-insured institutions across the country. The FDIC is funded by FDIC-insured institutions, not taxpayers, and FDIC deposit insurance is backed by the full faith and credit of the United States Government.

FDIC deposit insurance coverage depends on the type of banking products you have.

FDIC deposit insurance covers:
Checking accounts
Negotiable Order of Withdrawal (NOW) accounts
Savings accounts
Money Market Deposit Accounts (MMDAs)
Certificates of Deposit (CDs)
Cashier's checks, money orders, and other official items issued by a bank

FDIC deposit insurance does not cover:
Stock investments
Bond investments
Mutual funds
Life insurance policies
Annuities
Municipal securities
Safe deposit boxes or their contents
U.S. Treasury bills, bonds or notes

Depositors do not need to apply for FDIC insurance. Coverage is automatic whenever a deposit account is opened at an FDIC-insured institution. Ask your bank if your account type is insured. Also, check out FDIC's BankFind at https://research2.fdic.gov/bankfind/ for a list of FDIC-insured institutions to ensure you are selecting an FDIC-insured institution. Keep in mind that an FDIC-insured institution must display an official FDIC sign at each teller window. Visit https://www.fdic.gov/deposit/ to learn more about FDIC deposit insurance.

For help in calculating the insurance coverage on your deposits at a particular institution, the FDIC offers the Electronic Deposit Insurance Estimator http://edie.fdic.gov/.

How does the FDIC protect insured deposits?

Unfortunately, banks sometimes fail, but bank failures occasionally occur in a functioning marketplace. When they do, the FDIC is working for you. Banks fail for a variety of reasons. When this happens, the bank's chartering authority steps in to close the bank and bring in FDIC as the deposit insurer. FDIC staff is on location the day it fails, working to identify those who have insured money in the bank. If possible, another bank agrees to buy the failing bank and the transition is generally fairly smooth for depositors and borrowers. If there is no immediate buyer, the FDIC maintains access to depositors' insured funds. For more information, go to https://www.fdic.gov/consumers/banking/facts/.

What does FDIC do to ensure banks protect my deposits?

The FDIC directly examines and supervises nearly 3,500 financial institutions. Our examiners check for operational safety and soundness of more than half of the institutions in the U.S. banking system. The FDIC also examines some institutions for compliance with consumer protection laws and regulations. The other banking regulators supervise the institutions to the extent that the FDIC does not.

You may hear about other federal banking regulatory agencies. Banks have options on which agency will monitor their performance. This can be confusing. There are five financial regulatory agencies and each serves a different purpose.

Along with the FDIC, they are:

- The Federal Reserve System (https://www.federalreserve.gov/)
- The Office of the Comptroller of the Currency (https://occ.gov/)
- The Consumer Financial Protection Bureau (https://www.consumerfinance.gov/)
- The National Credit Union Administration (https://www.ncua.gov)

These agencies work together to ensure the safety and soundness of America's banks and to protect the public.

How can FDIC protect me if I have a banking related problem to resolve?

If you have a question or need banking related assistance, you can contact the FDIC at 1-877-ASKFDIC (1-877-275-3342) or visit FDIC.gov. The FDIC's Consumer Response Center is responsible for investigating all types of consumer complaints about FDIC-supervised institutions and responding to consumer inquiries about consumer laws and regulations. If you have a dispute related to your bank, attempt to resolve your concern with the bank first. If you need assistance in facilitating a resolution with your bank, an FDIC Consumer Affairs Specialist is available to help with your banking related concerns.

What FDIC resources are available in my community?

The FDIC provides resources to educate and protect consumers, while working to revitalize communities. These resources provide practical guidance on how to become a better user of financial services, make informed financial decisions, and protect against financial scams and fraud.

- FDIC Consumer Resources (https://www.fdic.gov/consumers/assistance/resources.html) has a collection of FDIC links to assist the public.
- FDIC Consumer News (https://www.fdic.gov/consumers/consumer/news/index.html) is a monthly newsletter that focuses on issues of importance to consumers.
- The FDIC's Money Smart financial education program (https://www.fdic.gov/consumers/consumer/moneysmart/) can help people of all ages enhance their financial skills and create positive banking relationships.
- The Community Affairs Program (https://www.fdic.gov/consumers/community/program.html) works in local communities throughout the United States to encourage financial institutions to invest and meet the credit needs of the communities, while promoting programs that protect and inform consumers.

For more help or information, go to **www.fdic.gov** or call the FDIC toll-free at **1-877-ASK-FDIC (1-877-275-3342)**. Please send your story ideas or comments to Consumer Affairs at **consumeraffairsmailbox@fdic.gov**

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