



Who is the FDIC?

The Federal Deposit Insurance Corporation (FDIC) preserves and promotes public confidence in the U.S. financial system by insuring deposits in banks and thrift institutions for at least \$250,000; by identifying, monitoring and addressing risks to the deposit insurance funds; and by limiting the effect on the economy and the financial system when a bank or thrift institution fails.

An independent agency of the federal government, the FDIC was created in 1933 in response to the thousands of bank failures that occurred in the 1920s and early 1930s. Since the start of FDIC insurance on January 1, 1934, no depositor has lost a single cent of insured funds as a result of a failure.

The FDIC receives no Congressional appropriations – it is funded by premiums that banks and thrift institutions pay for deposit insurance coverage and from earnings on investments in U.S. Treasury securities. With an insurance fund totaling more than \$17.3 billion, the FDIC insures more than \$4 trillion of deposits in U.S. banks and thrifts - deposits in virtually every bank and thrift in the country.

Savings, checking and other deposit accounts, when combined, are generally insured to \$250,000 per depositor in each bank or thrift the FDIC insures. The standard insurance amount of \$250,000 per depositor is in effect through December 31, 2013. On January 1, 2014, the standard insurance amount will return to \$100,000 per depositor for all account categories except IRAs and other certain retirement accounts, which will remain at \$250,000 per depositor. Deposits held in different categories of ownership – such as single or joint accounts – may be separately insured. The FDIC's Electronic Deposit Insurance Estimator can help you determine if you have adequate deposit insurance for your accounts.

The FDIC insures deposits only. It does not insure securities, mutual funds or similar types of investments that banks and thrift institutions may offer. (Insured and Uninsured Investments distinguishes between what is and is not protected by FDIC insurance.)

The FDIC directly examines and supervises about 5,160 banks and savings banks for operational safety and soundness, more than half of the institutions in the banking system. Banks can be chartered by the states or by the federal government. Banks chartered by states also have the choice of whether to join the Federal Reserve System. The FDIC is the primary federal regulator of banks that are chartered by the states that do not join the Federal Reserve System. In addition, the FDIC is the back-up supervisor for the remaining insured banks and thrift institutions.

The FDIC also examines banks for compliance with consumer protection laws, including the Fair Credit Billing Act, the Fair Credit Reporting Act, the Truth-In-Lending Act, and the Fair Debt Collection Practices Act, to name a few. Finally, the FDIC examines banks for compliance with the Community Reinvestment Act (CRA) which requires banks to help meet the credit needs of the communities they were chartered to serve.

To protect insured depositors, the FDIC responds immediately when a bank or thrift institution fails. Institutions generally are closed by their chartering authority – the state regulator, the Office of the Comptroller of the Currency, or the Office of Thrift Supervision. The FDIC has several options for resolving institution failures, but the one most used is to sell deposits and loans of the failed institution to another institution. Customers of the failed institution automatically become customers of the assuming institution. Most of the time, the transition is seamless from the customer's point of view.

The FDIC employs about 5,000 people. It is headquartered in Washington, D.C., but conducts much of its business in six regional offices and in field offices around the country.

The FDIC is managed by a five-person Board of Directors, all of whom are appointed by the President and confirmed by the Senate, with no more than three being from the same political party.