



VIA EMAIL: [comments@fdic.gov](mailto:comments@fdic.gov)

April 12, 2011

Robert E. Feldman  
Executive Secretary  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429

Re: RIN 3064-AD37, Part 330 – Deposit Insurance Education

Dear Mr. Feldman:

This comment letter is submitted by the Consumer Bankers Association (“CBA”)<sup>1</sup> in response to the Federal Deposit Insurance Corporation (FDIC) proposal that is intended to ensure depositors receive sufficient information with regard to the FDIC deposit insurance rules. Under this proposal, bank employees who have authority to open accounts or respond to FDIC insurance questions would need to complete a computer-based instructional program provided by the FDIC. Also, when opening accounts, the employee would need to inquire as to the existence of other accounts owned by the customer and whether the combined balances exceed the \$250,000 insurance limit. In addition, the proposal would require banks to provide a link on their website to the FDIC’s Electronic Deposit Insurance Estimator (EDIE). CBA appreciates the opportunity to share its views on the proposal with the FDIC.

As outlined below, CBA urges the FDIC to not move forward and finalize the provisions that would require bank employees to complete the additional computer-based training and, for the reasons indicated, we do not believe it is necessary for bank employees to inquire as to whether the combined account balances exceed the \$250,000 insurance limit. CBA also offers additional comments related to this proposal.

Banks support the intent of the proposal, which is to ensure account holders have sufficient information with regard to deposit insurance, and they recognize that the

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<sup>1</sup> The Consumer Bankers Association (“CBA”) is the only national financial trade group focused exclusively on retail banking and personal financial services — banking services geared toward consumers and small businesses. As the recognized voice on retail banking issues, CBA provides leadership, education, research, and federal representation on retail banking issues. CBA members include most of the nation’s largest bank holding companies as well as regional and super-community banks that collectively hold two-thirds of the industry’s total assets.

deposit insurance rules are complex. However, banks currently provide significant training to their employees with regard to deposit insurance issues, and we question the need for the new training that would be mandated under this proposal.

The additional training through the computer-based instructional program that would be provided by the FDIC would only serve to replace the current, similar training banks already provide to their account holders. In our view, it would be preferable to allow banks to continue the training they already provide, instead of requiring a change to similar training that would be provided by the FDIC. The training currently provided by banks is tailored to the specific needs of each bank's customers, and we are concerned that the training provided by the FDIC would tend to be generic, which may limit the bank's flexibility on how it trains its own employees to discuss these issues with account holders.

If the FDIC believes there is a need for additional training, we would encourage the agency to provide this training through its own resources and to make this available to both bank employees and customers. For example, the FDIC could provide supplemental information on its website, on the current FDIC YouTube Channel, as well as provide and maintain a toll-free telephone number that would be dedicated to responding to deposit insurance questions.

As part of this effort, we would encourage the FDIC to test and track the usage of these and other resources it currently provides to determine if these training opportunities are sufficient before it imposes additional training obligations on financial institutions. Specifically, we suggest focusing these testing efforts on depositors who may be affected by the deposit insurance rules, such as those who are likely to have one or more accounts at one institution that exceed the \$250,000 limit, although we believe these individuals will be well aware of the deposit insurance rules and that the current resources available are sufficient.

If the training requirement under the proposal is finalized, we urge the FDIC to provide greater flexibility with regard to the timing requirement. As proposed, new employees would be required to complete the training within thirty days after commencement of employment, and current employees would be required to complete it within sixty days after the effective date of the rule. We believe banks should have more flexibility with regard to this timing requirement, especially for new employees. These new employees undergo significant training with the first thirty days of employment and adding two additional hours for the new FDIC computer-based training would add significantly to these training demands.

For these reasons, we request the FDIC allow banks additional time to provide this type of training and encourage the FDIC to design and review this new training carefully in order to ensure it provides the necessary information in the least amount of time possible, which we believe should be less than the two hours as described in the proposal.

We question the need to require employees to repeat this training on an annual basis. As an alternative, the FDIC should develop a separate computer-based program that would serve as a refresher course. We recommend that it be much shorter than the initial computer-based version and serve as a brief review, which could focus on any recent changes, as well as interpretive issues that would benefit from additional clarifications.

As part of the proposal, the FDIC requested comment as to whether this additional training requirement should apply to all employees in the bank's retail offices, in addition to those who open accounts or respond to deposit insurance questions. We strongly oppose such an expansion as we do not see the need to apply this to employees who solely perform unrelated functions, such as lending. It would make even less sense for other employees, such as security guards, administrative assistants, and other types of support staff.

In our view, depositors who have accounts exceeding the \$250,000 limit comprise a very small percentage of the total number of accounts and to require a large group of bank employees to complete a two-hour training program each year on an issue that affects only a fraction of customers would be excessive. In general, the additional cost and burdens of these proposed training requirements would far exceed the benefits that customers would receive and there seems to be no precedent for requiring a two-hour internet based training session each year on situations that affect only a fraction of bank customers. Again, if any additional training is required, it should focus on providing information in a time-efficient manner and only required for those on staff who may have a need for this information.

We also question the need for the proposed requirement that bank employees inquire as to the existence of other accounts owned by the customer and whether the combined balances exceed the \$250,000 insurance limit. We realize the burden on banks of making this inquiry is rather low and banks often make this inquiry when opening new accounts. However, we also recognize very few bank customers have combined balances that exceed the \$250,000 limit. For the small percentage of customers who have combined balances at these levels, these tend to be more sophisticated customers who would already be very knowledgeable about their finances, including the specifics with regard to deposit insurance levels. For these reasons, we do not believe it is necessary for the FDIC to impose such a requirement through regulation.

Under the proposal, banks would be required to provide a link to the FDIC's Electronic Deposit Insurance Estimator (EDIE). This could be done either by the bank providing a link to EDIE or by customizing and integrating the EDIE application into the bank's own website. We do not oppose this provision but are concerned because the FDIC has requested comment as to whether, in addition to providing access to EDIE, banks should also be required to maintain in their office lobbies a dedicated computer terminal that includes the EDIE application, which customers can use to generate reports on insurance coverage.

We strongly oppose this additional requirement, as this would impose significant costs for banks, with very little benefit for account holders. We are concerned the additional computer and associated equipment would be little used, if at all. The result will be wasted resources, both in terms of equipment and lobby space that could be used more effectively. In our view, customers who wish to research more information about insurance coverage can very easily access this type of readily available information on their home computers or through other sources.

Similarly, the FDIC has requested comment as to whether its *Deposit Insurance Summary* publication should also be available for all depositors in the bank's retail office lobbies, in addition to providing them to customers whose combined balance exceeds the deposit insurance limit. We would not oppose this additional requirement, as we believe this would be a cost-effective means in which to provide additional deposit insurance information to account holders.

### **Conclusion**

Thank you for the opportunity to comment on the proposed rule that is intended to ensure depositors receive sufficient information with regard to the FDIC deposit insurance rules. If you have any questions or wish to discuss these issues further, please feel free to contact me at (703) 276-3862 or at [jbloch@cbanet.org](mailto:jbloch@cbanet.org).

Sincerely,



Jeffrey P. Bloch  
Senior Regulatory Counsel