FDIC Consumer News
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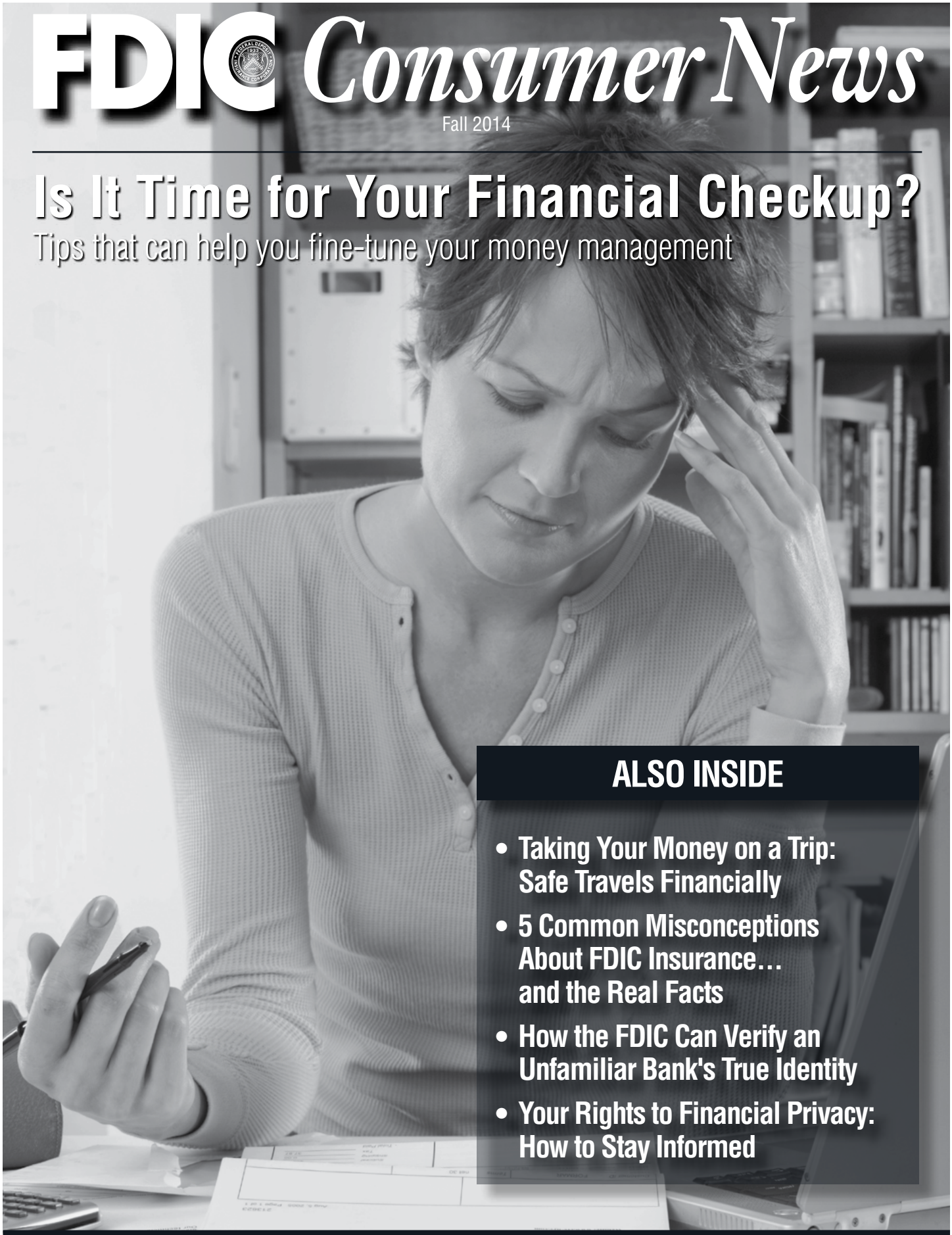
Is It Time for Your Financial Checkup?

Tips that can help you fine-tune your money management



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FEDERAL DEPOSIT INSURANCE CORPORATION

Is It Time for Your Financial Checkup?

Tips that can help you fine-tune your money management

Any time of year, but particularly the start of a new year, is a good time to reflect on how you are managing your finances and to consider whether you would benefit from some changes. Here's a checklist of questions and suggestions that can help you better evaluate and meet your goals.

Saving

What are my current short-term and long-term financial goals? Write them down. They may include paying off a debt, buying a home or a car, or financing a child's college education. "With goals and target dollar amounts in mind, you may be more motivated to save money and achieve your objectives," said Luke W. Reynolds, Chief of the FDIC's Outreach and Program Development Section.

Can I do better making automatic transfers into savings? "Arranging for your bank or employer to automatically transfer funds into savings or retirement accounts is a great way to build savings, but don't just set it and forget it," said Keith Ernst, Associate Director of the FDIC's Division of Depositor and Consumer Protection in charge of consumer research. "Ask yourself whether you should increase the amount you are automatically saving."

Do I have enough money in an emergency savings fund? The idea is to cover major unexpected expenses or a temporary reduction in income without borrowing money. Figure out how much you would need to pay for, say, three to six months of essential expenses (housing, transportation, medical costs and so on). If you don't have that much money in a savings account, start setting aside what you would need. For anyone struggling to build a "rainy day fund" or reach any major savings target, setting up automatic transfers is a steady way to work toward that goal.

What about retirement savings? Start by calculating how much money you will need for retirement, perhaps by using an online estimator. According to the Social Security Administration (SSA), most financial advisors say to aim for a combination of Social Security payments, pensions and personal savings that equal at least 70 percent of your pre-retirement earnings in order to maintain your pre-retirement standard of living. Even if you are just starting out in the working world, look into all your retirement savings options, as they may come with tax savings and employer matches. And, if you are self-employed, find useful information from the IRS at www.irs.gov/Retirement-Plans/Retirement-Plans-for-Self-Employed-People. To estimate your Social Security benefits when you retire, you can contact the SSA at 1-800-772-1213 or go to www.socialsecurity.gov/estimator.

Do my checking and savings account choices meet my needs at a reasonable cost? Start by talking to a representative at your current bank and/or visiting your bank's Web site. That's because some banks only offer certain deals in their branches but not online, or vice versa.

"If you paid checking account overdraft fees recently, look into ways to avoid them, starting with keeping a closer eye on your balance," said Luke W. Reynolds, Chief of the FDIC's Outreach and Program Development Section. "And for money you don't need in the near future, remember that nondeposit investment products may have the potential for a higher return but you can also lose some or all of the money you invest." He added that if you have multiple accounts, consider whether consolidating them may save you money and time in monitoring transactions.

Taking Precautions

Am I adequately insured? Having enough life, health, disability, property and other insurance is essential to protect your finances from a sudden shock. Learn more at www.insureuonline.org, a Web site from the National Association of Insurance Commissioners. You may find savings on your existing policies by getting updated quotes from your current insurer and comparing them to quotes from at least two other companies.

Am I prepared financially in case of a fire, flood or other emergency? In addition to having your most important possessions insured, ask yourself how your most important documents would be saved from ruin. For more information, including how to assemble a preparedness kit if you had only a few moments to evacuate your home, read tips from from FEMA — the Federal Emergency Management Agency — at www.ready.gov.

Is the personal information on my computer and/or smartphone properly protected? Use and automatically update anti-virus software and a firewall to secure your computer. Arrange for your computer or phones to regularly download and install any "patches" (system updates) the manufacturers produce to address security weaknesses. For unlocking your computer and mobile devices and for logging into Web sites and apps, create "strong" IDs and passwords with combinations of upper- and lower-case letters, numbers and symbols that are hard to guess, and then change the passwords regularly. "Try not to use the same password at more than one site," advised Michael Benardo, manager of the FDIC's Financial Crimes Section. "And if you feel a need to keep a written list of passwords, which is not recommended, try instead to use word and number combinations that vary slightly between sites, which may be easier for you to remember."

Am I taking precautions with my personal information when I go to social networking sites? Scammers try to collect even minor details about an individual, such as a pet's name or a high school mascot, in hopes that they can use this information to reset the passwords on a bank or investment account and commit fraud. Social media sites are places where criminals can often find this information. For guidance on limiting your information at social media sites, see tips from the Internet Crime Complaint Center at www.ic3.gov/media/2009/091001.aspx. For additional information about safely using financial institutions' social media sites, see the Fall 2013 ***FDIC Consumer News*** (www.fdic.gov/consumers/consumer/news/cnfall13/socialmedia.html).

If there's been a death in the family, have I reviewed what that could mean for our FDIC deposit insurance coverage? It's especially important to make sure your accounts are properly structured if a co-owner or a beneficiary you named has recently died. As an example, if you have a joint account with a co-owner (such as a spouse) who passes away, the FDIC will continue to insure the account as if the co-owner is still alive for a maximum of six months. That six-month grace period is intended to give survivors or estate executors a chance to restructure accounts, if needed, to stay within the insurance limits. After six months, if no change is made, the account will be insured for a maximum of $250,000, and you will be considered the sole owner of the funds. Similarly, if you have one or more payable-on-death (POD) accounts that include a beneficiary who has died and you have not replaced that person with another beneficiary, the amount of insurance coverage will decrease immediately; there is no six-month rule for deceased beneficiaries.

"If there are changes in the ownership or beneficiaries named to your accounts, you can call the FDIC at 1-877-275-3342 to make sure your deposit insurance coverage is adequate," said Martin Becker, Chief of the FDIC's Deposit Insurance Section.

Do I have the necessary legal documents for managing my money if I become disabled or when I die? These may include a "power of attorney" permitting someone else to handle transactions and make decisions on your behalf if you are unable to. And if you haven't already done so, consider consulting with an attorney about creating or updating a will and/or a trust to guide the distribution of your money and property after you die. To learn more, see www.fdic.gov/consumers/consumer/news/cnsum14/unexpected.html

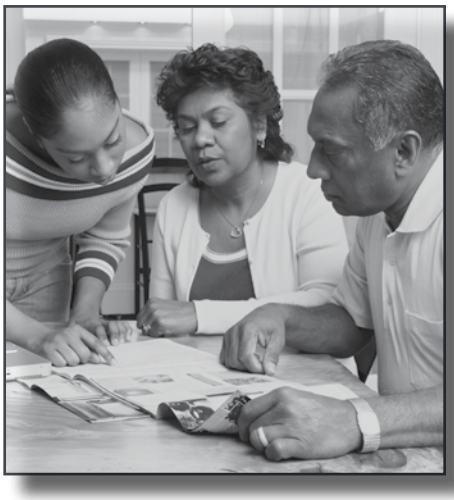
Am I keeping the right financial records? When it comes to paper versions of records like old bank statements, credit card bills and receipts, consider keeping only those you may need to protect yourself in the event of, say, a tax audit or a dispute with a merchant or manufacturer. Documents you don't need can be discarded, but shred or otherwise securely destroy records that contain personal information. It's also good to keep a list of your financial accounts and personal documents in one secure place, so that a loved one responsible for your affairs could easily find it. For additional guidance, see our article at www.fdic.gov/consumers/consumer/news/cnwin1011/finrecords.html.

Spending

Do I have a good plan for how I spend my money? Start by listing how much money you take in over a typical four-week period, what expenses you need to pay, and how much goes to savings. Include any large expenses you pay annually or semiannually, such as taxes or insurance premiums. Also pay attention to small expenses, from entertainment to snack food, which can take a toll on your finances. Then jot down ways you can control your spending. Online tools also can help you develop a more comprehensive budget.

Are all the expenses I'm paying for automatically each month really worth it? Some expenses you've put on auto-pilot may look small but can add up over the course of a year. Start by reviewing your credit card and checking account statements for expenses that get charged on a recurring basis. Consider whether you still get value from each product or service. Also find out if you may already be receiving the same benefits elsewhere or if you can negotiate a better deal with the company.

"Examples of spending you might be able to reduce could include memberships, extras on your cable TV subscription, or certain options on a cellphone package," said Reynolds. "And, if you are paying for identity theft or credit protection plans [products that would postpone or make your loan payments if you die or become ill or unemployed] ask yourself whether you get the value you pay for them. Keep in mind that federal law affords you considerable protections in the event of fraudulent activity involving your bank accounts or credit cards."



Borrowing

Am I reviewing my credit reports for accuracy? Correcting errors may help you improve your credit history and credit score, which can save you money when you need to borrow money. And reviewing your credit reports can help you detect identity theft or errors that could cause you other hassles, such as higher insurance premiums.

Federal law gives you the right to one free copy of your credit report every 12 months. There are three major nationwide consumer reporting agencies (also called "credit bureaus") — Equifax, Experian and TransUnion — and each one issues its own report. Go to www.AnnualCreditReport.com, or call toll-free 1-877-322-8228, to order your free credit reports from each agency. There also are "specialty" credit bureaus that, for example, track a person's history of handling a checking account or prepare risk profiles that insurers may use when determining your insurance premium. For more information about your rights, start with either the Consumer Financial Protection Bureau (www.consumerfinance.gov or toll-free 1-855-411-2372) or the Federal Trade Commission (www.ftc.gov or toll-free 1-877-382-4357).

Is there more that I can do to cut the costs of a mortgage loan? For example, if you have an adjustable-rate mortgage with an interest rate about to go up, find out if there are lower rates for which you might qualify. Also inquire about your options for refinancing into a different, better loan.

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Taking Your Money on a Trip: Safe Travels Financially

Your suitcase is packed, you've got your travel itinerary, and you're prepared for the weather where you are going. But are you all set financially? Unless you have taken the time to consider your money needs, including safety precautions, that pleasure or business trip could turn into a big disappointment and a major expense. ***FDIC Consumer News*** offers the following suggestions before you leave.

Decide on the amount of cash you may need. You may want to take some cash to pay for small purchases where credit cards may not be accepted. But for your own security, it's not a good idea to take a lot of cash anywhere. If your cash is lost or stolen, you cannot replace it.

Take a couple of credit cards. They are generally widely accepted (even in other countries), easy to replace if lost or stolen, and your maximum legal liability for unauthorized use is $50 per card. "Just as when you are not travelling, it is best not to carry any more cards than what you expect to use, in case you lose your wallet," advised Luke W. Reynolds, Chief of the FDIC's Outreach and Program Development Section.

And, Reynolds suggested taking two credit cards, each with a different payment network logo on the front, such as American Express, Discover, MasterCard or Visa. That is to increase the likelihood, particularly when you are travelling internationally, that you can pay with plastic if a merchant doesn't accept cards licensed or issued by a certain payment network you want to use.

Note: Using your credit card at an ATM or in a bank to get a cash advance can cost you substantial fees.

Consider other alternatives to cash. Debit cards, which can be used at stores and at ATMs, deduct funds automatically from a bank account. Prepaid debit cards, which are generally not linked to your bank account, allow you to load a specific amount of money on the card for purchases and ATM cash withdrawals. With these or other alternatives, research the potential costs, limitations on their use, and your protections if they are lost or stolen.

Don't flaunt your cash, bank cards, jewelry or other valuables. "When you travel, modesty is not only the best policy, it may also deter a robber," said Michael Benardo, manager of the FDIC's Financial Crimes Section. If possible, leave your jewelry and other valuable items in a safe deposit box at your financial institution or leave expensive items at home. Pickpockets thrive in certain communities, so don't ever leave your purse, wallet or keys out in the open. Consider hiding extra money under removable insoles in your shoes and putting your credit card in your inside pocket or a waist pack under your shirt or jacket. "You could take a backup or 'emergency' credit card with you, but make sure to lock it up in the hotel safe," Benardo added.

In general, it makes sense to keep your cash, cards, wallets and passports in separate places. If you have a travel companion and you share the same credit card accounts, it may be a good idea to carry one card each from different accounts so you can avoid losing all your cards at once.

Pay your bills before you go, especially if you're going to be away for two or more weeks. Doing so will eliminate hassles when trying to pay bills from the road, which could include finding a secure Internet connection to log into your financial accounts. You'll also avoid the risk of forgetting to make a payment during your trip and incurring late fees.

Make a list of key numbers and copy important documents in case they get lost or stolen. Your list could include phone numbers for your credit card companies, banks and insurance companies. Consider scanning and e-mailing this list along with a copy of your driver's license and (if you're going abroad) your passport identification page to a secure place, such as your own e-mail address or the e-mail of a trusted friend or family member.

If you are traveling outside of the country, make additional preparations. Notify your bank and credit card companies where and when

you will be traveling so that transactions won't be denied based on incorrect assumptions that your credit or debit card has been stolen. Also remember to verify that any credit card or debit card you plan to use can be used internationally.

"Transaction fees and other costs can add up, so do some advance research," Reynolds added. "Identify what you will be charged by your credit card issuer for foreign transactions and consider using a credit card to charge expenses instead of converting your cash to local currency. But also be cautious of offers by overseas merchants to process a credit card transaction in U.S. dollars because that may result in additional fees."

Unless you only plan to use plastic, become familiar with the look and the value of the local coins and bills so that you don't get short-changed or cheated. And as noted in the Summer 2014 issue of ***FDIC Consumer News***, if you are planning to visit Europe and you do not have one of the new credit or debit cards that contains a computer chip for security purposes, you may want to request one from your financial institution. That's because many European merchants no longer accept magnetic stripe cards.

For more tips about traveling abroad, including a checklist before you go and how to stay safe in certain countries, see the U.S. State Department's main Web site on international travel at http://travel.state.gov/content/passports/english/passports.html.

5 Common Misconceptions About FDIC Insurance … and the Real Facts

The FDIC receives numerous inquiries every day from consumers who have misconceptions about their insurance coverage. Many of them are people who have worked a long time to save money for their retirement and want to make sure that their funds are insured. To help you avoid the mistakes of others who misunderstood their insurance coverage — especially those who, as a result, inadvertently had some funds over the deposit insurance limit — ***FDIC Consumer News*** offers an explanation of the real facts.

MISCONCEPTION 1:
FDIC insurance coverage is based on the type of deposit you have. For example, a checking account is insured separately from a certificate of deposit (CD).

The Facts: FDIC insurance coverage is based on how much money each depositor has in one of several "ownership categories" at each bank — single accounts, joint accounts, revocable trusts, certain retirement accounts and so on — not on the deposit product itself.

Let's assume that Jane Smith has both a CD and a checking account at one bank. Both accounts are in Jane Smith's name alone and she hasn't named beneficiaries to receive the funds upon her death. The two accounts are considered single accounts for ownership purposes and they are added together in calculating the deposit insurance coverage; the fact that they are different types of bank products does not provide separate deposit insurance coverage. In this situation, Jane's two accounts would be added together if the bank failed and $250,000 would be insured.

MISCONCEPTION 2:
Adding beneficiaries to Individual Retirement Accounts (traditional and Roth) and certain other retirement accounts can increase the FDIC insurance coverage.

The Facts: The FDIC adds together all the retirement accounts that a person has at a bank in the insurance category called "Certain Retirement Accounts" and insures them up to $250,000, regardless of the number of beneficiaries designated to receive the retirement accounts upon the owner's death. That insurance category also includes accounts such as Simplified Employee Pension (SEP) IRAs and self-directed 401(k) and Keogh plan accounts. Self-directed means the consumer chooses how and where the money is deposited.

MISCONCEPTION 3:
The more joint accounts you own, the more FDIC insurance coverage you can qualify for.

The Facts: A joint account has two or more owners with equal withdrawal rights. "Some depositors incorrectly assume that each joint account they have at a bank is insured separately, meaning that they can divide money into multiple joint accounts and increase their deposit insurance coverage," said Martin Becker, Chief of the FDIC's Deposit Insurance Section. "But under the rules, the FDIC looks at each person's share in all the joint accounts he or she owns at one institution and that total is insured up to $250,000, no matter how many joint accounts or co-owners there may be." The FDIC also assumes that all co-owners' shares are equal unless the deposit account records state otherwise.

MISCONCEPTION 4:
You can increase the deposit insurance coverage of joint accounts at one bank by changing the order of the names or the Social Security numbers on the account.

The Facts: Contrary to some beliefs, titling one joint account as belonging to "Joe and Mary" and another for "Mary and Joe" — or varying the Social Security numbers — will not increase the insurance coverage. The same goes for replacing "and" between their names with "or." As explained above, Joe's share of all the joint accounts he owns at one bank, including any he has with someone other than Mary, is FDIC-insured up to $250,000. Mary's coverage is calculated the same way, regardless of who is named first or whether "and" or "or" is used in the account titles.

MISCONCEPTION 5:
The FDIC can take up to 99 years to pay insured deposits when a bank fails.

The Facts: The FDIC occasionally receives calls from depositors about this myth; it often comes from consumers who attended a financial seminar and heard that the FDIC can and will take up to 99 years to pay the depositor's insured deposits after a bank is closed. This claim is false and entirely without merit.

The truth is that federal law requires the FDIC to pay deposit insurance "as soon as possible." For insured deposits — those within the deposit insurance limits — the FDIC almost always pays insured depositors within a few business days of a closing, usually the next business day. Payment is made either by providing each depositor a new account at another insured institution or by issuing a check to each depositor.

The limited exceptions that may take longer to process primarily are deposits that both exceed $250,000 and are linked to trust documents, and accounts established by a third-party broker on behalf of other individuals. "The delay, if any, for a depositor to receive payment for insured funds is a function of the time it takes for the depositor or their broker to provide missing supplemental information that is needed for the FDIC to complete the insurance determination," Troup explained. "This is supplemental information that is not in the bank's records, and it may include affidavits from depositors and copies of trusts and death certificates. And if there is a delay in receiving insured funds, it is typically a matter of a few business days."

For more information, please call us toll-free at 1-877-ASK-FDIC (1-877-275-3342). You also can go to www.fdic.gov/deposit/deposits for extensive information about FDIC insurance coverage. If you prefer to write us, you may send an e-mail by starting at www2.fdic.gov/starsmail or send a letter to the FDIC Deposit Insurance Section, 550 17th Street, NW, Washington, DC 20429.

Financial Checklist
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You also can research the pros and cons of making additional payments to principal (to pay off the loan sooner) or even paying off the mortgage outright.

Can I do more to reduce the interest I'm paying on other debts? Any reduction of outstanding debts, particularly those that charge you the highest interest rate, will bring you savings in interest expenses. For example, look into paying all — or at least more — of your credit card balance.

Am I truly benefiting from my credit card rewards programs? These features can be beneficial, but you have to know what to do to earn extra cash or keep "points" or miles. A rewards program also may have changed since you last looked at it. Also, don't let the allure of rewards be the only factor in choosing a card. "It's not just cash back or points that can make a card appealing. Features like a low interest rate and minimal or no fees can also be beneficial," said Elizabeth Khalil, a Senior Policy Analyst at the FDIC.

If you're considering closing a credit card account that you've managed well for a long time, instead consider the alternative of keeping the card but not using it. That's because closing the account could adversely affect your credit score, which lenders often use to determine your interest rate. According to Jonathan Miller, Deputy Director for Policy and Research in the FDIC Division of Depositor and Consumer Protection, "If you do keep the account open and continue to use the card occasionally, be careful to keep it in a secure place and periodically monitor the account to make sure a fraudster isn't using it instead."

For more information on selected topics, search for articles in ***FDIC Consumer News*** at www.fdic.gov/consumernews, check out the FDIC's Money Smart financial education program at www.fdic.gov/moneysmart, and visit the federal government's financial literary site at www.mymoney.gov.

A Bank By Any Other Name May Still Be Insured

How the FDIC can verify an institution's true identity

Suppose you want to confirm that an unfamiliar bank or banking Web site that is offering attractive deposit accounts is FDIC-insured. You go to "BankFind" — the FDIC's online database of all FDIC-insured institutions at http://research.fdic.gov/bankfind — and it's not listed. Does that mean the bank or Web site could be uninsured, or worse, fraudulent? The answer is ... maybe or maybe not. One reason is that insured branches and bank Internet sites can do business using names that don't match the bank's official name.

"The FDIC is increasingly receiving phone calls from consumers asking about banks or bank Web sites that do not appear to be insured and are not listed on BankFind," said Calvin Troup, a Senior Consumer Affairs Specialist. "While some of these offers could be from fraudulent Web site operators or businesses not insured by the FDIC, often these are insured banks or bank Web sites that happen to operate under a different name than the legal name of the bank."

Since many insured banks do not identify all Web sites or "trade names" (other names used for marketing purposes) associated with the legal name of the bank, the FDIC is concerned that depositors who are not sure about the true identity of a particular institution could exceed the $250,000 insurance limit by inadvertently placing funds in a bank where they already have deposits.

Here are examples that can help explain these situations, plus information on how the FDIC can help answer your questions.

Web Sites: Most FDIC-insured institutions that offer online banking services have sites with titles that are similar to the bank's name. But let's say you are considering a deposit at a Web site called www.GreatAmazingBank.com, but there's no record of that name in BankFind. The good news is that the FDIC is collecting from all insured banking institutions the official Web addresses for all public sites they use to solicit deposits from consumers. With that information, an FDIC Deposit Insurance Specialist can confirm if a Web site belongs to an insured bank by another name. If the Web address provided by the consumer does not belong to an insured bank, the site may be affiliated with a nonbank financial organization. Or, it could be a fraudulent site set up by criminals to entice people into transferring money or disclosing personal information for use in committing identity theft.

Trade Names: What if you are researching a banking institution called Small Local Bank but that name does not appear in BankFind? It still may be FDIC-insured if it is part of a larger depository institution with a different name (we'll call it Large Bank), growing over time through the acquisition and merger of many different, smaller banks. How could that be? Well, if Small Local Bank was well-known in the area it served, Large Bank could continue to use the old name for the branches there as its trade name, but with all of the deposits really going into Large Bank. Again, although it may seem that you would be depositing your money in two different banks, all your money will actually be deposited at Large Bank.

"Consumers need to know if a branch's name is different from a bank's legal name because it is all one bank," said Martin Becker, Chief of the FDIC's Deposit Insurance Section. "They need to understand that if that bank fails, their deposits from all branches would be combined and insured up to the insurance limit."

The FDIC is working to put additional information on its Web site so consumers will have the ability to independently research bank and online banking names. However, until then, you can call the FDIC at 1-877-275-3342 and ask to speak to a Deposit Insurance Specialist who will help to make sure you are fully insured.

News Briefs

Consumers should be aware of "ransomware" scams that hold computers or smartphones hostage. Authorities have previously warned businesses about schemes in which criminals use malware to shut down computers or smartphones and then demand payment (sometimes via prepaid card) to unlock the devices. So far, businesses are more likely to be targeted than consumers. Still, you can help protect yourself by keeping antivirus software up to date, being cautious before opening e-mail attachments, and not following links in unsolicited or suspicious-looking e-mails. For more information, see an alert issued by the U.S. Department of Homeland Security at www.us-cert.gov/ncas/alerts/TA13-309A.

Reminder: Be careful before agreeing to promotional offers on credit cards. As previously reported in ***FDIC Consumer News***, a no-interest or low-interest deal may seem like a great way to save money but it's important to read the fine print. The Consumer Financial Protection Bureau (CFPB) in September 2014 warned consumers about some offers that can cost more in interest than expected and offered tips to avoid them. Start at www.consumerfinance.gov/blog/you-could-still-end-up-paying-interest-on-a-zero-percent-interest-credit-card-offer.

Check out our new financial education resource for Pre-K through Grade 2 students. The curriculum, unveiled in September 2014, is the first in a new series of youth education resources in the FDIC's Money Smart family. The remaining products in the series — for Grades 3-5, 6-8 and 9-12 — are scheduled to be released in early 2015 and will eventually replace older resources for young people. The curriculums are still intended for educators and bankers to present in a classroom or group setting, and they now also include a resource guide for parents and caregivers. For more information, start at www.fdic.gov/consumers/consumer/moneysmart/youngpeople.html.

The CFPB has added to its resources for student loan borrowers. These include a consumer advisory about how certain private student loans (not federal loans) can require the borrower to immediately pay the entire balance if the co-signer dies or files for bankruptcy, plus sample letters that borrowers can use to contact their servicer asking to remove the co-signer. Regardless of what type of student loans you have, the CFPB has resources. For example, "Repay Student Debt" is a Web tool that can help borrowers navigate their repayment options when managing federal and private student loans, even when they have fallen behind on their loans. The CFPB has also developed "Paying for College," a suite of tools for students and families to use in comparing student loan options and financial aid offers before they commit to a school. To learn more from the CFPB, start at www.consumerfinance.gov/students.

What's new about benefit information from the Social Security Administration (SSA). Under a law passed last year, the SSA has resumed mailing statements to workers age 18 and older after previously phasing the mailings out in favor of online information. Most workers will receive their statement in the mail once every five years, and after age 60, people will receive a benefit statement in the mail every year. In addition, the SSA is encouraging everyone age 18 or older to create a secure "*my* Social Security account" online. That way, they can verify the accuracy of their reported earnings (which determine each individual's future benefit amount and is a way to help detect identity theft) and perform tasks such as updating their address or direct deposit information. To learn more and to sign up for an account, start at www.socialsecurity.gov/myaccount.

The CFPB has issued updated guidance on reverse mortgages. These are special types of home equity loans made to homeowners age 62 or older that are repaid when the borrowers sell the home, move out or die. Because there have been recent changes in how reverse mortgages work, the CFPB has updated its consumer guide, which includes issues to consider before taking a reverse mortgage as well as alternatives to consider. You can find the guide online at http://files.consumerfinance.gov/f/201409_cfpb_guide_reverse_mortgage.pdf.

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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)

Your Rights to Financial Privacy: How to Stay Informed

You're probably used to receiving privacy notices from your financial institutions explaining how they handle and share your personal information. Federal law requires that you receive a notification about your privacy rights when you open an account, then at least annually, and again if the institution changes its privacy policy. And, in some cases, these privacy statements are available for review at any time online. Unfortunately, many consumers don't review these disclosures, which describe how your information will be used, whether you can choose to "opt out" or say "no" to some sharing of your personal financial information, and how you can do so.

"The privacy notices include important descriptions of rights you may have to limit information sharing with other parts of the same company as well as with unaffiliated companies," said Beverly Shuck, Acting Chief of the FDIC's Consumer Response Center. "If you want to control information sharing, you should take these mailings seriously."

The privacy notices also will explain what you *can't* prevent from being shared. This is likely to include customer information provided to outside firms that market your financial company's own products, handle data processing services or mail out monthly statements to customers. Banks that limit their sharing to these circumstances will provide a privacy notice stating that, as well as the fact that the customers don't have the right to opt out of any data sharing.

In October 2014, the Consumer Financial Protection Bureau (CFPB) adopted a rule that allows financial institutions that do not engage in certain types of information-sharing to post their annual privacy notices online rather than delivering them individually. In these circumstances, consumers also must be able to call a toll-free number to request a paper copy of the privacy disclosure.

Contact your financial institution if you have questions or concerns about its privacy policy. If you're not satisfied with the answers, you may wish to contact the institution's primary federal or state regulator. To find out who regulates a financial institution (the FDIC is not the primary regulator for all of the institutions it insures), you can call the FDIC toll-free at 1-877-ASK-FDIC (1-877-275-3342).

"Remember that privacy practices differ at various financial institutions," said Ed Nygard, a Senior Consumer Affairs Specialist at the FDIC. "If you are uncomfortable with the way your information will be treated at one institution, you may wish to shop around for a different one."

You also have the right to prohibit credit bureaus from providing information about you to lenders and insurers that want to send you unsolicited offers of credit or insurance. To remove yourself from marketing lists sold by credit bureaus, call toll-free 1-888-567-8688 or go to www.optoutprescreen.com.

For more information from the FDIC, see "Privacy Choices" at www.fdic.gov/consumers/privacy/privacychoices. 🏛