SPECIAL ANNIVERSARY EDITION

FDIC Consumer News

Summer 2018

YEARS OF TIPS YOU CAN BANK ON

Time-Tested Strategies for Managing and Protecting Your Money

On the anniversary of our newsletter, we offer useful information drawn from updated versions of 25 of our best articles through the years

Our Newsletter Is Going Paperless: See the Back Page

1997| Retirement Planning and Saving: Mistakes to Avoid

Excerpted and updated from "Retirement Planning: Saving for Your Golden Years," Spring 1997.

Millions of working Americans find it's a challenge just to pay for their house, car, insurance, child care and other expenses each month. So how can people even think about setting aside money for their retirement 20, 30 or even 40 years away? We can't predict the future, but we can help you learn from the past. Here's a list of common mistakes and miscalculations on the road to financial security — wrong turns we want you to avoid.

Saving too little. How much of your money should go to retirement savings? The answer depends on factors such as how many years until you retire, how much you already have in savings and pensions, what kinds of expenses you foresee in retirement, and the impact of inflation on your future buying power. When in doubt, perhaps the simplest approach is to try to put 10 to 20 percent of your income each year into money toward your retirement. Regular, automatic savings programs also help make it "painless" to set money aside.

Starting too late. The sooner you begin saving, even with relatively small amounts contributed year after year, the faster you can develop a solid retirement fund. Through the magic of compound interest, a little bit of money saved over a long period can grow to be a lot of money. Unfortunately, too many people delay saving for retirement until they meet other goals, such as saving for a child's college education.

Not diversifying enough. Putting all your (nest) eggs in one basket can be a problem if the approach you take doesn't perform well or actually loses money. Consider a mix of savings and investments that might perform reasonably well under any economic or market conditions.

Not doing your homework. A wrong move can cost you thousands

of dollars in taxes, fees, penalties or bad investments. Learn as much as you can about planning and saving for retirement. A good place to start is with free resources from the public library, your employer's personnel department and governmental agencies. Talk to financial professionals you know and trust. Ask for a clear explanation of the pros, cons and costs of what they recommend, and do some comparison-shopping before you make a final decision. And don't forget to check your savings and investments regularly.

Falling for retirement rip-offs. If you get a call, letter or visit from someone peddling financial products with features that seem too good to be true, trust your instincts. There are many scams designed to trick consumers into giving up cash, checks, credit card numbers or other valuables for little or nothing in return. Common cons involve promising fantastic returns on investments that turn out to be fraud. If you think you've been approached by a con artist or you've been victimized by someone offering a financial product or service, report it to the Federal Trade Commission (visit ftc.gov/complaint or call toll-free 1-877-FTC-HELP). If the scam is internet-related, send an email to the federal government's Internet Crime Complaint Center at www.ic3.gov.

About This Special Edition

The Federal Deposit Insurance Corporation has been publishing ***FDIC Consumer News*** quarterly since the fall of 1993 to deliver timely, reliable and innovative tips and information about financial matters, free of charge. In recognition of the 25th anniversary of the newsletter, we have issued this special edition — a collection of some of our more popular articles through the years, condensed and updated, with one article from each year going back to 1993.

A lot has changed in banking and financial services for American consumers, from an increase in the FDIC deposit insurance limit (going from $100,000 to $250,000) to major technological advancements (transitioning from basic banking at branches to mobile banking from anywhere with smartphones and apps). Something that hasn't changed is the FDIC's commitment to helping people learn about their rights, responsibilities and options as they manage their money in today's financial marketplace. We hope you will find this issue to be truly special and beneficial.

INSIDE

2009| Ways to Spend Less, Save More in Good Times and Bad

Excerpted from "Good Ways to Get Started Cutting Back" and "7 Tips on Putting Your Dollars to Work...for You!" Winter 2008/2009.

If you or others in your family are facing difficult times financially, perhaps from a job loss or wage cuts, it is especially important to spend less on nonessential items so you have more money to pay essential bills or to add to a savings account you can tap in an emergency. Here are some strategies.

Take a serious look at your spending. As a first step, think about creating a budget. Make a list of your monthly expenses divided into two groups — your "needs" (expenses that are absolutely necessary, such as your housing, utilities, clothes, food and transportation) and your "wants" (optional purchases). After you differentiate between spending for needs and splurging on wants, cut back on the second category, especially if you're already suffering an income loss or other financial hardship. Possible places to cut back include restaurant meals, monthly subscriptions and premium TV channels.

Keep banking costs down. Among the possibilities: If you routinely pay bank fees, shop for a different account that meets your needs at a lower cost. Also review your banking habits to cut unnecessary fees. With your credit card bill, pay as much as you can, as soon as you can. It will mean you'll pay less interest and avoid late fees. And if you have a mortgage and you expect to continue to own your home for the foreseeable future, see if you can save money by refinancing to get a lower interest rate and a lower monthly payment, after weighing the up-front costs of refinancing.

Have an emergency savings account. This is an account you can tap if you lose your job or have major, unforeseen expenses. Emergency savings will help ensure that you don't have to borrow from your retirement nest egg or take out additional loans that would push you into debt. A general rule of thumb is to have enough money in this "rainy day" fund equal to at least two months of living expenses. If your employment outlook is especially uncertain, consider setting aside enough to cover six or more months of anticipated expenses. Also, keep your emergency savings in an account that will be fairly liquid — such as a bank savings account, money market account or a short-term certificate of deposit (CD) — so you can withdraw the money relatively quickly, if necessary.

Try to save money for long-term goals, such as your retirement. If your employer matches a portion of your payroll contributions to a tax-advantaged retirement savings plan, not participating means you are passing up free money and perhaps losing out on a valuable tax break. Even if your employer does not match, you should still take advantage of these accounts.

Pay yourself first. That means each month, before you're tempted to spend money, commit to putting a good bit of it into a savings account. You can write out a check to be deposited into your savings account, but it's much easier to arrange with your bank to automatically transfer a certain amount from your paycheck or your checking account into savings.

Review your existing accounts and comparison shop for the best deals. Look at what is being offered by your bank and a few competitors. The idea is to make sure the interest rates are competitive and that the fees and features are appropriate for how you use each account.

Turn a debt payment into a deposit. If you pay off a debt, such as the outstanding balance on a credit card, or if you make that last loan payment on your car, put that money to work as part of your savings.

Save, don't spend, a financial "windfall." If you receive a large sum — perhaps from an inheritance, an insurance payment, a tax refund or a bonus at work — deposit that money into a savings or investment account before you're tempted to spend it. 🏛

About FDIC Insurance

2001| Why and How to Know What's FDIC-Insured and What Isn't

Excerpted and updated from "One-Stop Shopping for Financial Services: A Window of Opportunity for the Informed Consumer," Spring 2001.

The wide array of financial products available from banking institutions means you can take care of most of your financial needs — from banking to investing to buying insurance — under one roof. For example, you may be able to put your retirement savings into mutual funds and insured bank deposits all at the same bank. Or, you can get your auto loan and your auto insurance from the same institution. But along with a wider range of savings and investment options comes an increased need for consumers to be knowledgeable about these various products and the different risks associated with them. Some products can offer the potential for higher returns than traditional deposits, but consumers need to understand these products, especially the risks, before they make a purchase.

One important aspect of understanding the risks is to know which products offered by banking institutions are covered by FDIC insurance and which are not. Examples of FDIC-insured deposits include:

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continued from 2001 on the previous page

• Checking accounts, Negotiable Order of Withdrawal (NOW) accounts (checking accounts that earn interest), and Money Market Deposit Accounts (savings accounts that allow a limited number of checks to be written monthly.

• Savings accounts that you can add to or withdraw from at any time.

• Certificates of deposit (CDs), which generally require you to keep funds in the account for a set period, perhaps from three months to five years. Money can be taken out beforehand if you pay an early withdrawal penalty.

So, what's NOT insured by the FDIC that consumers often mistakenly believe may be federally insured if a banking institution is involved?

• The contents of safe deposit boxes. Even though the word deposit appears in the name, under federal law a safe deposit box is not a deposit account — it's strictly a well-secured storage space rented by an institution to a customer. If you are concerned about the safety or replacement of items you put into a safe deposit box, ask your insurance agent whether your homeowner's or renter's insurance policy covers your safe deposit box against damage or theft.

• Losses due to theft or fraud at the institution, including cybercrimes. For information on how federal laws and industry practices may limit losses under certain circumstances, search by topic at the Federal Trade Commission website (www.ftc.gov).

• Insurance and annuity products, such as life, auto and homeowner's insurance. Not only are these products not backed by the FDIC, but some insurance products may even lose value.

• Stocks, bonds and mutual funds.

• Investments backed by the U.S. government, such as Treasury securities and Savings Bonds.

How can you tell the difference? First, remember that FDIC insurance protects only deposits. Products such as mutual funds, annuities, stocks, bonds and U.S. Treasury securities are not deposits and, therefore, are not protected by the

FDIC. Mutual funds, stocks and bonds also are subject to investment risks, including the possible loss of principal, even if you bought them from your FDIC-insured institution. Treasury securities and Savings Bonds, while not insured by the FDIC, are backed by the full faith and credit of the U.S. government.

To minimize potential confusion about which products are FDIC-insured, banks and savings institutions are required by federal banking regulators to clearly differentiate insured deposits from investments, both in their sales practices and their advertisements. For example, when offering or advertising an investment product to a customer, FDIC-insured institutions must indicate that the investment is not FDIC-insured, is not guaranteed by the bank or savings institution, and is subject to investment risk, including the possible loss of principal.

FDIC insurance provides a guarantee that your insured deposits will be safe in the event your bank or savings institution fails. While the basic federal insurance amount is $250,000, you actually can receive more than $250,000 of coverage if your funds are maintained in different ownership categories. For example, you can have coverage of up to $250,000 for your individual accounts at the bank, another $250,000 for your share of joint accounts at the same bank, and yet another $250,000 for certain retirement accounts, including Individual Retirement Accounts (IRAs).

The FDIC also is here to help you with your banking questions or problems. Start at www.fdic.gov or call toll-free 1-877-ASK-FDIC (1-877-275-3342). To learn more about FDIC deposit insurance coverage, call that same number or visit www.fdic.gov/deposit. If you are a person who is deaf or hard-of-hearing, please call 1-800-925-4618. The FDIC offers assistance to individual consumers in a variety of ways because we share a common goal — to protect your money.

2004 | Basics of Deposit Insurance for Businesses

Excerpted and updated from "Basics of Deposit Insurance for Businesses," Fall 2004.

The FDIC receives many questions about deposit insurance from businesses and other entities that want to know if all their money would be fully protected if their bank were to fail. If you own a business or manage the money of a non-profit organization, here are some basics you should know about your FDIC insurance coverage.

Deposits of a corporation, partnership or "unincorporated association" (such as a religious organization, charity or homeowners association) are insured up to $250,000 in total. These business-type accounts, though, are insured separately from any personal accounts of the entity's stockholders, partners or members held at the same institution.

The FDIC gets calls, for example, from corporations or partnerships asking if it is possible to deposit more than $250,000 in a bank on behalf of multiple partners or principals and still be fully insured. The answer is no — it's $250,000 of insurance to the corporation alone or the partnership alone. The insurance coverage doesn't increase based on the number of owners.

To quality for coverage of up to $250,000 of FDIC insurance separate from the personal deposits of the owners or officials, the organization must be engaged in an "independent

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continued from 2004 on the previous page

activity." That means the entity cannot exist solely for the purpose of increasing the deposit insurance coverage of the owners.

Note: While a corporate account is insured for up to $250,000 in total, funds held in connection with employee benefit plans, such as pension or profit-sharing plans, might qualify for coverage up to $250,000 for each employee's share if FDIC requirements for this separate category are met.

In addition, a corporation's accounts for different purposes (such as one account for research projects and another for a building project) are each separately insured to $250,000 *only* if they belong to separately incorporated subsidiaries. Otherwise, they are added to any other deposit accounts of the corporation and the total is insured up to $250,000.

Deposits of a sole proprietorship are insured together with any personal funds the business owner may have at the same bank. A sole proprietorship is a business owned by just one individual rather than a corporation or partnership. Many small stores or service companies operate as sole proprietorships.

Unlike corporations or partnerships, if you are the sole proprietor of a business, your personal accounts and the accounts of the sole proprietorship at the same institution are insured together as individual accounts up to $250,000 in total.

If you have questions about your insurance coverage, call the FDIC toll-free at 1-877-ASK-FDIC (1-877-275-3342). Also read the deposit insurance information posted on the FDIC website at www.fdic.gov/deposit. Single copies of selected publications, including "Your Insured Deposits," the FDIC's comprehensive guide to deposit insurance coverage, are available free of charge by completing the online order form at catalog.fdic.gov or by contacting the FDIC's Public Information Center at the toll-free phone number above. If you are a person who is deaf or hard-of-hearing, please call 1-800-925-4618.

2008 | How to Be Sure You're Fully Protected

Excerpted and updated from "How to Be Sure You're Fully Protected by the FDIC," Fall 2008.

In 85 years, no one has lost a penny of FDIC-insured deposits. You don't need to worry about the safety of your money if you have deposits at one bank totaling less than the basic FDIC coverage limit of $250,000. If your deposits exceed the coverage limit, or if you're just not sure about how much of your money is protected, consider these steps.

Use "EDIE" the FDIC deposit insurance estimator. EDIE will help you understand if you have funds over the insurance limits. Find it at www.FDIC.gov/EDIE.

When in doubt, contact the FDIC for additional assistance. You can call the FDIC toll-free at 1-877-ASK-FDIC (1-877-275-3342). Specialists are available 8:00 a.m. to 8:00 p.m., Eastern Time, Monday through Friday. If you are a person who is deaf or hard-of-hearing, call 1-800-925-4618. We also have deposit insurance brochures, videos and other materials at www.fdic.gov/deposit.

If your deposits are over the FDIC insurance limit, consider your options. One possibility is to divide the funds among the various ownership categories (single accounts, joint accounts, revocable trust accounts, retirement accounts, and so on) at the same institution, because deposits in separate insurance categories are separately insured. But changing accounts is something you need to think about carefully because, for example, moving some money from a single account into a joint account with someone else means that you are giving that other person legal ownership of the money. Before finalizing your plans, consider discussing them with your attorney, accountant or another trusted advisor. A second option for insuring funds that are over the FDIC's limit is to move some money to accounts at other insured institutions. This option works well for people who don't want, or don't qualify for, other ownership categories at their existing bank.

Periodically review your insurance coverage. Here are suggestions for when to take a closer look:

• *Before you open a new account.* Think about all the accounts your family owns at an institution, the types of accounts and the names of the beneficiaries. You'll need this information to get an accurate calculation of your insurance coverage.

• *After the death of a loved one.* If two people own a joint account and one of them dies, the FDIC will insure the deceased person's share as if he or she were still alive for another six months. This grace period gives executors or other authorized people time to make changes to the account, if necessary, without having to worry about a drop in FDIC coverage. But if the joint account is not restructured within that six-month period, it will automatically be insured as the surviving co-owner's single account at the bank, and sometimes that results in funds becoming uninsured. As an example, if two people have one account at a bank — a $500,000 joint account — and one of them passes away and the survivor makes no change to the account within the six-month grace period, then $250,000 would be uninsured. Please keep in mind that the $250,000 insurance coverage for this account would include principal plus accrued interest.

• *If a large windfall comes your way.* Suppose you sell your house or receive a large payment from a trust. Make sure any deposits, especially those made on your behalf by third parties, won't put you over the FDIC's limits.

• *If you own accounts at two institutions that merge and the combined funds exceed the insurance limit.* Accounts at the two institutions before the merger continue to be separately insured for six months after the merger, and longer for certificates of deposit (CDs), but you have to review the accounts within that grace period to avoid a potential problem with uninsured funds.

1995| Travel Tips: Don't Leave Home Without Making Financial Preparations

Excerpted and updated from "Don't Leave Home Without Making Financial Preparations," "Trouble on the Trip and How to Cope with It," and "Giving Credit Before Credit is Due," Spring 1995.

In the haste of preparing for a trip, it's easy to forget those finance-related steps you really should take before leaving. Here's how you can avoid a lot of grief, save money and greatly improve your chances for a pleasant journey.

Decide on the amount of cash or credit you may need on the trip. For your own security, it's not a good idea to take a lot of cash anywhere. If it's lost or stolen, you can't replace it. Only carry enough cash for cab rides, tips and other small expenses. Otherwise, use credit cards when you can because they are readily accepted by merchants and can easily be replaced if lost or stolen. And if you need cash fast any time of day, even in a foreign country, you can still get it from an automated teller machine (ATM) using the same cards you use back home. The following are other things to consider:

• If you plan to get cash using a credit card at an ATM, you can incur hefty fees. Using your debit card to get cash from an ATM may cost you less in fees.

• If you're traveling out of the country, when you pay for purchases you are likely to fare better on the exchange rate (how much your U.S. dollars will be worth in a foreign country) if you use a credit card or swipe a debit card (and choose the "credit" option) instead of converting your cash to local currency. If you do convert currency, the fee is usually the same whether you change $10 or $100, so convert larger rather than smaller amounts. Change money in a safe place and put it away in your wallet or purse immediately.

• In addition to your bank (debit/ATM) card, take at least two major credit cards. They should meet all your foreseeable needs. Leave unnecessary credit cards at home.

Pay bills before you leave, if possible. You don't want essential services to be cut off while you're away on a long trip. Check the due dates on all bills — especially utilities and auto insurance — to see if payments will come due in your absence. If so, be sure to make those payments before you leave or pay them online from wherever you are.

An upcoming trip is also a good reason to consider signing up for direct deposit of paychecks and government benefit checks, if you haven't already done so. With direct deposit, you don't have to worry about possible theft of the checks by mail and you know the funds will be in your account on a certain date — a comforting thought whether you're away or at home.

Stash your valuables. Consider putting jewelry and other valuable items in a safe deposit box at your financial institution.

Copy important documents and make a list of important numbers. Make two copies of your passport identification page, driver's license, vehicle registration, airline or other tickets and your itinerary. Leave one at home with a relative or friend and carry the other one with you separately from the items themselves. Do the same with your list of important numbers. It could include phone numbers for your credit card company, bank and insurance companies.

It's probably not a good idea to include credit card numbers or your Social Security number on this list, because the information could fall into the wrong hands. Carry the list with you; don't pack it.

Understand what credit card blocking is about. It most often occurs when you rent a car or check into a hotel and present your credit card. The clerk could electronically ask the bank that issued the card to "block" (reserve) part of your line of credit to cover the expected cost before you go out and use it for your other vacation purchases. If it's a hotel, what's blocked — usually on arrival — could be the cost of your room for the length of your stay, plus incidental expenses you may incur, like meals and phone calls. In the case of cars, it could be the cost of the rental, plus gasoline. There is nothing sinister or illegal about it, as long as the amount blocked isn't out of line with what the customer is likely to pay at the end of the transaction.

If you leave on vacation with your credit card near the limit or if you are a business traveler who spends long periods on the road, you should be aware of credit blocking. This is because any additional transactions you attempt after you hit your credit limit would be rejected. To learn more about credit card blocking, visit the Federal Trade Commission's webpage at www.consumer.ftc.gov/articles/0217-when-company-blocks-your-credit-or-debit-card.

Protect yourself from thieves and scam artists who target travelers. Here are some precautions:

• Don't flaunt your cash, charge cards, fancy clothes or expensive jewelry (or even expensive-looking jewelry). Among the people you may

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continued from 1995 on the previous page

be impressing could be robbers. Avoid pickpockets by making sure your bag or purse is closed.

• Always take your credit and debit/ATM card receipts with you, and never give anyone your personal identification number (PIN). All contain information about your account that a thief can use to get cash or make purchases. If your cards are lost or stolen – in the U.S. or abroad — immediately report this to your bank or card issuer. In general, federal law limits your liability for unauthorized charges on a credit or debit card if your card is lost or stolen, but you must notify the bank or card issuer within certain time frames. For more information, see our article on debit, credit and prepaid cards on Page 12. Industry practices may further limit your losses, so check with your card issuer.

• At hotels, one of best things you can do is keep your extra cash, jewelry, passport and other valuables in the hotel safe.

• While you may not enjoy hanging out at airports, thieves do. They know airports are full of tired, hurried, confused travelers carrying cash, credit cards and other valuables. This kind of theft usually occurs near ticket counters, X-ray machines, baggage check and claim areas, rest rooms or vending areas. The basic advice: stay alert.

Banks, card companies, express delivery services and other businesses are there to help. If the unexpected occurs, there are lots of ways to get emergency cash or arrange for payments, from practically anywhere in the world. A nearby bank can arrange for a cash advance using a major credit card. You can ask the bank to have money transferred electronically from your bank or brokerage account back home. Or see if it can safely deliver traveler's checks and money orders or wire funds to your hotel or another location. If your problems are tied to a lost or stolen wallet, call your bank or credit card issuers immediately.

1999 | Don't Get Mad, Get Answers

Excerpted and updated from "Don't Get Mad, Get Answers," Summer 1999.

Got a complaint involving your financial institution but you're not sure about the best or quickest ways to resolve the matter? Here are suggestions.

First contact the institution. Experience has shown that the quickest way to resolve most banking problems is to work directly with your bank. Ask who you should direct your complaint or question to and if the institution has any procedures it wants you to follow.

If your bank is local, you may want to consider making an appointment with a manager or officer there. A face-to-face meeting to share information and discuss differences often will clear up misunderstandings, on both sides, and reduce the frustration that can result from exchanging letters.

If you report a problem to an institution in a phone call, follow up with a letter that restates your concerns and asks that the situation be looked into. This part is very important, because written notification is often required by the consumer protection laws. If your call results in a verbal commitment, such as an agreement to refund a certain dollar amount, include in your follow-up letter a request for a written confirmation of what was promised over the telephone.

Keep your tone as positive and professional as possible. If you're upset, allow yourself to calm down before calling or writing. You'll be much more effective in getting the institution to see your side of the problem, and you'll probably remember more details.

If you still feel there is a problem or that you're being treated unfairly, write to the institution's primary federal regulator. To find out who regulates a financial institution, you can call the FDIC toll-free at 1-877-275-3342 or go to BankFind, the FDIC's online directory of FDIC-insured banking institutions (research.fdic.gov/bankfind).

If you write to a government agency, include all pertinent information. Provide your name, address and telephone number; the name and location of the institution; a brief description of the problem and your efforts to fix it (including the names of employees you contacted); and what you'd like the institution to do to correct the problem.

Also attach copies of any supporting documents, such as account statements and letters to or from the institution.

Of course, prevention is the best cure. Read all the information that comes with your accounts, and keep it in a safe place. Check your account statements frequently and contact the institution immediately if there are errors. Mistakes are easier to straighten out the earlier they are found, and some consumer protection laws have limits on how long you have to file a complaint.

Finally, read the notices mailed with your account statement, because they may include changes in your account's terms or conditions.

2000| When a Criminal's Cover Is Your Identity: Minimizing the Risk of Identity Theft

Excerpted and updated from "When a Criminal's Cover Is Your Identity," Summer 2000.

Your good name and reputation are among your most valuable assets. Unfortunately, criminals know the value of a good name and reputation, too. That's why increasing numbers of con artists are "stealing" identities. They typically start by using theft or deception to learn a person's Social Security number, date of birth or other personal information. Armed with those details, the perpetrators can open credit card accounts, make purchases, take out loans, or make counterfeit checks and ATM cards in *your* name. In effect, the crook *becomes you* to commit fraud or theft.

Federal and state laws plus banking industry practices may limit your losses from identity theft, also known as ID theft. Under the Truth in Lending Act, if a crook opened a credit card account in your name and ran up thousands of dollars in charges, the most you'd owe is $50 — and many creditors will agree to excuse you of all liability. Still, innocent victims are likely to face long hours (and sometimes years) closing tarnished accounts and opening new ones, fixing credit records, and otherwise cleaning up the damage. They may even be denied loans, jobs and other opportunities because an identity theft ruined their reputation and credit rating.

Here are things you can do to minimize your risk of becoming a victim of ID theft:

Protect your Social Security number, credit card numbers, account passwords and other personal information. Never divulge this kind of information unless you initiate the contact with a person or company you know and trust. A con artist can use these details and a few more, such as your mother's maiden name, to withdraw money from your bank or order credit cards or checks in your name. If you get an unsolicited offer that sounds too good to be true and asks for bank account numbers and other personal information before you receive anything in return, this is probably a scam. Likewise, if a caller claims to represent your financial institution, the police department or some similar organization and asks you to "verify" (reveal) confidential information, hang up fast. Real bankers and government investigators don't make these kinds of calls.

Keep thieves from turning your trash into their cash. Thieves known as "dumpster divers" pick through garbage looking for credit card applications and receipts, canceled checks, bank statements, expired charge cards and other documents or information they can use to counterfeit or order new checks or credit cards. So, before putting these items in the garbage bin, tear them up as best you can. Any paper you don't need to keep that contains private information should be shredded.

Pay attention to your bank account statements and credit card bills. Contact your financial institution immediately if there's a discrepancy in your records or if you notice something suspicious, such as a missing payment or an unauthorized withdrawal. While federal and state laws may limit your losses if you're victimized by a bank fraud or theft, sometimes your protections are stronger if you report the problem quickly and in writing.

Review one or more of your credit reports approximately once a year. Your credit reports (prepared by a credit bureaus) will include identifying information such as your name, address, Social Security number and date of birth, as well as details about credit cards and loans in your name. Make sure each report you obtain is accurate, and that includes monitoring it for unauthorized bank accounts, credit cards and purchases. Under federal law, you can get at least one free report from each of the nationwide credit bureaus every 12 months. To order your free annual reports from the three major credit bureaus — Equifax, Experian and TransUnion — visit www.AnnualCreditReport.com or call toll-free 1-877-322-8228.

Don't let ID theft take on a life of its own — yours. If someone is using your personal information to cash in on your name, visit www.identitytheft.gov, the federal government's one-stop resource to help people report and recover from ID theft.

2002| Weathering a Financial Storm

Income down? Expenses and stress level up? When the going gets tough, here's how the tough can keep going.

Excerpted from "Weathering a Financial Storm," Winter 2001/02.

Millions of Americans face financial problems that can start with the loss of a job, a death or illness in the family, a divorce or separation, an inability to control spending and borrowing, or a slowing economy. Here are warning signs of a financial problem:

- More than 20 percent of your monthly net income is going to pay credit cards and other loans (excluding a mortgage);
- Borrowing money to make payments on loans you already have;
- You are frequently at, near or over the limit on your credit cards;
- Only paying the minimum required on your credit card bill; and
- Paying bills late or putting off visits to the doctor because you don't have enough money.

What can you do to protect yourself and your family if you're having financial

continued on the next page

continued from 2002 on the previous page

troubles ... or if you simply want to be better prepared financially?

Beware of scams. Con artists are always around, but they can be especially dangerous during uncertain times. Why? Because people who are worried about jobs, investments or retirement savings are more likely to be taken in by attractive-sounding financial offers that, in reality, are frauds. Financial frauds that flourish during tough economic times include bogus offers of "easy credit" and "guaranteed loans" from swindlers who collect money upfront. Also remember that a bad credit history can only be repaired by steady and consistent on-time payments, so any promises to erase a bad credit history for a fee are scams.

Review your spending. Your family's welfare comes first, so continue the payments on your home, utilities and insurance (life, health, disability). Consider cutting back on expenses you really don't need or use. If you reduce outlays, you should have more money available to build an emergency savings fund (see Page 3) that can help get you through a difficult period without needing a loan or borrowing from your retirement savings.

Be smart about borrowing. Interest payments on credit cards and other loans are an expense, so think about keeping these and other borrowing costs down. Among the strategies to consider: Pay off your highest-rate loans (usually your credit card or department store charge card) first. If you have several credit cards, target the one with the highest interest rate, pay it off, and then move to the card with the next highest rate. Also, try to pay all or as much as possible of your credit card bill each month, so you can avoid high interest charges. But if all you can manage is to send in the minimum payment, make this a priority.

If you think you've got a serious debt problem, address it immediately. Many people may need to turn to others for assistance, such as a knowledgeable friend or relative, or a reputable credit counseling service (see Page 14).

2006 | Fires, Floods and Other Misfortunes: Are You Prepared Financially?

Excerpted and updated from "Fires, Floods and Other Misfortunes: Are You Prepared Financially?" Winter 2005/2006

Natural or man-made disasters strike without warning and can happen to anyone. They can also seriously impair victims' ability to conduct essential financial transactions. If you had only a few moments to evacuate your home — and were away for several days or even weeks — would you have access to cash, banking services and the personal identification you need to conduct your day-to-day financial life? Here are some tips from the FDIC.

What to Have Ready

Forms of identification: These primarily include driver's licenses (or state ID cards for non-drivers), insurance cards, Social Security cards, passports and birth certificates. These documents will be crucial if you or your family needs to rebuild lost records or otherwise prove to a government agency, a bank or other business that you are who you claim to be. It's best to have the originals, but it's also important to have photocopies in case originals are misplaced or destroyed.

Your checkbook with enough blank checks and deposit slips to last a month or so: Even if you rarely or never write checks, at least consider having a copy of a check or your checking account number handy because, in an emergency, you can authorize an important payment by providing your checking account number over the phone.

Automated teller machine (ATM) cards, debit cards (for use at ATMs and merchants) and credit cards: These cards give you access to cash and the ability to make payments on outstanding bills. Most ATM and debit cards require the use of personal identification numbers (PINs), so make sure you know those numbers. Don't write your PINs on or near your cards in case they are lost or stolen.

Cash: The amount you should have available will depend on several factors, including the number of people in your family and your ability to use ATM, debit and credit cards to get more cash or make purchases. But remember that cash in your house or wallet and not in your bank account can easily be lost or stolen.

Phone numbers for your financial services providers: These include local and toll-free numbers for your bank, credit card companies, brokerage firms (for stocks, bonds or mutual funds) and insurance companies. Why? You may need to defer a payment, replace lost cards or documents, open new accounts or otherwise request assistance.

Important account numbers: These include bank and brokerage account numbers, credit card numbers and homeowner's or renter's insurance policy numbers.

The key to your safe deposit box: You can't get into your safe deposit box at the bank without your key, no matter how many forms of identification you have. Also, while many banks issue two keys when a box is rented, simply giving someone else a key doesn't allow that person access to a box in an emergency. He or she also must be designated in the bank's records as someone who has access to your box. Contact your bank about the proper arrangements.

What to Keep Where

Determine what to keep at home and what to store in a safe deposit box at your bank. A safe deposit box is best for protecting certain papers that could be difficult or impossible to replace (such as birth certificates and originals of important contracts) but not anything you might need to access quickly. For example, your passport and medical-care

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2016 | A Cybersecurity Checklist

Excerpted and updated from "A Cybersecurity Checklist," Winter 2016.

As consumers have become increasingly reliant on the internet for everything from shopping and communicating to banking and bill paying, the FDIC highlighted the potential benefits and risks in a special edition of ***FDIC Consumer News*** entitled "A Bank Customer's Guide to Cybersecurity" (online at www.fdic.gov/consumers/consumer/news/cnwin16). The back of the guide also included a checklist with reminders about simple things bank customers can do to help protect themselves from online criminals. Here are some tips from the checklist:

Have computer security programs running and regularly updated to look for the latest threats. Install anti-virus software to protect against malware (malicious software) that can steal information such as account numbers and passwords, and use a firewall to prevent unauthorized access to your computer.

Be smart about where and how you connect to the internet for banking or other communications involving sensitive personal information. Public Wi-Fi networks and computers in public places such as libraries or hotel business centers can be risky if they don't have up-to-date security software.

Ignore unsolicited emails asking you to open an attachment or click on a link if you don't know who sent it or why. Cybercriminals are good at creating fake emails that look legitimate, but can install malware. Your best bet is to either ignore unsolicited requests to open attachments or files or to independently verify that the supposed source actually sent the email to you by making contact using a published email address or telephone number.

Be suspicious if someone contacts you unexpectedly online and asks for your personal information. A safe strategy is to ignore unsolicited requests for information, no matter how legitimate they appear, especially if they ask for information such as a Social Security number, bank account numbers and passwords.

Use the most secure process you can when logging into financial accounts. Create "strong" passwords that could be easy for you to remember and difficult for others to guess. The National Institute of Standards and Technology has suggested passwords that are at least 12 characters in length and include multiple character sets, such as a mix of uppercase and lowercase letters, numbers and keyboard symbols. A good example is "1Banana+1Pineapple." Change passwords regularly, and try not to use the same passwords or PINs (personal identification numbers) for several accounts.

Be discreet when using social networking sites. Criminals comb those sites looking for information such as someone's place of birth, mother's maiden name or a pet's name, in case those details can help them guess or reset passwords for online accounts or figure out answers to security questions that some sites use.

Be careful when using smartphones and tablets. Don't leave your mobile device unattended and use a device password or other method to control access if it's stolen or lost. 🏛

continued from 2006 on the previous page

directives may be better left safely at home because you might need these on short notice. Consult your attorney for advice on the best place to store your will.

Seal the most important original documents in airtight and waterproof plastic bags or containers to prevent water damage. Be aware that safe deposit boxes are water resistant, not waterproof.

Prepare one or more emergency evacuation bags. Most of what you're likely to pack inside will be related to personal safety, but also keep some essential financial items and documents there, such as cash, checks, copies of your credit cards and identification cards, and a key to your safe deposit box. Make sure each evacuation bag is waterproof and easy to carry, and that it's kept in a secure place at home.

What Else to Consider

Arrange for automatic bill payments from your bank account. This service enables you to make scheduled payments for your phone bill, insurance premiums, loan payments and other essential bills.

Review your insurance coverage. Make sure you have enough insurance to cover the cost to replace or repair your home, car and other valuable property. 🏛

2017 | Financial Scams: The Basics on How to Protect Your Personal Information and Your Money

Excerpted from "10 Scams Targeting Bank Customers: The Basics on How to Protect Your Personal Information and Your Money," Summer 2017.

The FDIC often hears from bank customers who believe they may be the victims of financial fraud or theft, and our staff members provide information on where and how to report suspicious activity. To help, ***FDIC Consumer News*** includes crime prevention tips in practically every issue. Here are some scams you should be aware of and some key defenses to remember.

Government "imposter" frauds: These schemes often start with a phone call, a letter, an email, a text message or a fax supposedly from a government agency, requiring an upfront payment or personal financial information, such as Social Security or bank account numbers. They might tell you that you owe taxes or fines or that you have an

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unpaid debt. They might even threaten you with a lawsuit or to arrest you if you don't pay. Remember that if you provide personal information it can be used to commit fraud or be sold to identity thieves.

Fraudulent job offers: Criminals pose online or in classified advertisements as employers or recruiters offering enticing opportunities, such as working from home. But if you're required to pay money in advance to "help secure the job" or you must provide a great deal of personal financial information for a "background check," those are red flags of a potential fraud.

"Phishing" emails: Scam artists send emails pretending to be from banks, popular merchants or other known entities, and they ask for personal information such as bank account numbers, Social Security numbers, dates of birth and other valuable details. The emails usually look legitimate because they include graphics copied from authentic websites.

Overpayment scams: This popular scam starts when a stranger sends a consumer or a business a check for something, such as an item being sold on the internet, but the check is for far more than the agreed-upon sales price. The scammer then tells the consumer to deposit the check and wire the difference to someone else who is supposedly owed money by the same check writer. In a few days, the check is discovered to be a counterfeit, and the depositor may be held responsible for any money wired out of the bank account. Victims may end up owing thousands of dollars to the financial institution that wired the money, and sometimes they've also sent the merchandise to the fraud artists, too.

Here are some basic precautions to consider, especially when engaging in financial transactions with strangers.

• No matter how legitimate an offer or request may look or sound, don't give your personal information, such as bank account information, credit and debit card numbers, Social Security numbers and passwords, to anyone unless you initiate the contact and know the other party is reputable.

• Be cautious of unsolicited emails or text messages asking you to open an attachment or click on a link. This is a common way for cybercriminals to distribute malicious software. Be especially cautious of emails that have typos or other obvious mistakes.

• Don't cash or deposit any checks, cashier's checks or money orders from strangers who ask you to wire any of that money back to them or an associate. If the check or money order proves to be a fake, the money you wired out of your account will be difficult to recover.

• Monitor credit card bills and bank statements for unauthorized purchases, withdrawals or anything else suspicious, and report them to your bank right away.

• Periodically (approximately once a year) review your credit reports for signs of identity theft, such as a credit card or a loan you didn't request. By law, you are entitled to receive at least one free credit report every 12 months from each of the nation's three main credit bureaus (Equifax, Experian and TransUnion). Start at AnnualCreditReport.com or call 1-877-322-8228. If you spot a potential problem, call the fraud department at the credit bureau that produced that credit report. If the account turns out to be fraudulent, ask for a "fraud alert" to be placed in your file at all three of the major credit bureaus. The alert tells lenders and other users of credit reports that you have been a victim of fraud and that they should verify any new accounts or changes to accounts in your name.

Banking and Bill Paying

1998 | How to "Be More at Home" with Your Bank

Tips for getting good deals and solid service

Excerpted and updated from "How to 'Be More at Home' with Your Bank," Summer 1998.

Chances are you're pretty satisfied with your bank and you've been a loyal customer for years. But as with any place you do business, there's always something you can do differently or better to make you feel more comfortable and more "at home" … and perhaps save some time and money, too.

Ask yourself, and your bank, if you're getting the best deal. About once a year, talk to a customer services representative at your bank to make sure you're signed up for the right programs to meet your needs. You may also want to comparison shop to make sure you couldn't do significantly better at another bank.

Get to know bank employees you can turn to for help. Jot down the names and numbers of employees who, in-person or over the phone, seemed to be especially helpful and knowledgeable. If possible, become a familiar voice or face to them.

Don't be afraid to raise a concern. Your bank's managers would prefer you bring a problem to their attention and be given the chance to fix it rather than have you take your business elsewhere. If you don't get satisfaction from a customer service representative or another employee, consider talking to a supervisor. If you're still having problems, consider contacting the institution's state or federal regulator.

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Illustration: Tommy Ballard

2012| Debit, Credit and Prepaid Cards: There Are Differences

Excerpted and updated from "Debit, Credit and Prepaid Cards: There Are Differences," Summer 2012.

Many consumers use debit, credit and prepaid cards, often interchangeably; however, these three types of cards are quite different. Consider the following:

Each card works differently. When you use a credit card, you are borrowing money that you must pay back with interest if you do not pay the balance in full by the due date. But, if you use a debit card, which is issued by your bank and linked to your checking or savings account, the money taken from the account is yours and you will never incur interest charges. With prepaid cards, you are spending the money deposited onto them in advance, and they usually aren't linked to your checking or savings account. Prepaid products include "general-purpose reloadable" cards, which display a network brand such as American Express, Discover, MasterCard or Visa; store gift cards; and payroll cards for employer deposits of salary or government benefit payments.

Watch for fees. You may be charged an overdraft fee if you use a debit card for a purchase but there aren't enough funds in the account and you have given your bank written permission to charge you for allowing the transaction to go through. You can always revoke that authorization if you don't want to risk paying these fees, and future debit card transactions will be declined if you don't have the funds in your account. Similarly, a credit card issuer may decline a transaction that puts you over your credit limit unless you have explicitly agreed to pay a fee to permit over-the-limit transactions. Prepaid cards cannot be overdrawn, but costs may include monthly fees, charges for loading funds onto the card and fees for each transaction.

Your liability for an unauthorized transaction varies depending on the type of card. Federal law limits your losses to a maximum of $50 if a credit card is lost or stolen. For a debit card, your maximum liability under federal law is $50 if you notify your bank within two business days, but if you notify your bank after those first two days, under the law you could lose much more. Your liability for the fraudulent use of a prepaid card currently differs depending on the type of card, but that may be changing soon. Federal law already treats payroll cards the same as debit cards in terms of limiting losses. In 2016, the Consumer Financial Protection Bureau issued rules providing the same liability limits to other types of prepaid cards. Those rules are currently slated to become effective on April 1, 2019.

In addition, the funds you place on a prepaid card may or may not be covered by deposit insurance in the event of a bank failure. For information about deposit insurance coverage for prepaid cards, visit the FDIC webpage at www.fdic.gov/deposit/deposits/prepaid.html.

For all cards, industry practices may further limit your losses, so check with your card issuer. 🏛

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Don't be afraid to ask for a break. Bounce a check for the first time ever? Want a copy of an old monthly statement? Depending on the circumstances, your bank might be willing to reduce or waive a fee or penalty, especially if you've been a good customer. Also consider talking to your bank if you're having problems repaying a loan. Explain the situation and any unusual circumstances. Some lenders will agree to temporary or permanent reductions in your loan interest rate, monthly payment or other charges.

Read the fine print. Knowing the costs and requirements of an account before you sign on the dotted line can prevent a complaint or hassle later. Also be very clear about whether an attractive interest rate on a credit card or a deposit is a short-term, introductory "teaser" rate good for just a short time.

Keep good records. Confirm that your monthly account statements are correct. Keep copies of any contracts or other documents you sign with the bank — loans, certificates of deposit, etc. — along with any accompanying handouts. If there's ever a dispute, you'll have those documents to refer back to. 🏛

Borrowing Money

2003| Your Credit Record and Costly Mistakes to Avoid

Excerpted from "Simple Mistakes That Can Lower Your Credit Score … and Cost You Money," Winter 2002/2003.

The better your credit record, the better your chances of obtaining a low-cost loan or insurance policy, renting an apartment or qualifying for a job. Here are some common mistakes that can significantly affect your credit history and ways to avoid these pitfalls.

Paying bills late. One or two late payments on your loans or other obligations over a long period of time may not significantly damage your credit record, but making a habit of this can count against you. Be especially careful with payments in the months before you apply for a loan because lenders put more emphasis on your recent payment history.

Not checking on your credit report. Inaccurate or missing information in your credit report could raise your borrowing costs or cause delays when you're in a rush to make a major purchase. Many experts say you should review your credit reports at least once a year from each of the three major credit bureaus — Experian, Equifax and TransUnion (see Page 8) — especially before you apply for a home loan or seek some other benefit where your credit report could affect the outcome.

Owning too many credit cards. A stack of credit cards and department

continued on the next page

2007| Simple Strategies for Saving Money on Loans and Credit Cards

Excerpted and updated from "Special Edition: 51 Ways to Save Hundreds on Loans and Credit Cards," Summer 2007.

Here are tips for saving money when shopping for new credit and when using loans and credit cards.

Focus on the long-term cost of the loan, not the monthly payment. It may be better to pay slightly more money each month, if it means you will be paying less in total interest. Some people look so much at the monthly payment that they don't notice certain fees or service charges that are imposed.

Build your own rainy-day fund and borrow from yourself when you need money fast. The best way to avoid a cash crunch is to put money into an emergency savings account. This fund can get you through a difficult period without having to take out a loan or borrow from retirement savings. Possibilities include having your paycheck directly deposited into your checking account with a portion automatically placed into your emergency account.

Don't pay for expensive insurance coverage you probably don't need. Many lenders sell disability, life insurance or other similar protection plans which, as an example, might

cover minimum loan payments due if the borrower becomes ill or dies. These plans may be far more costly or more limited in purpose than traditional insurance not tied to loans.

Steer clear of fraudulent or deceptive offers targeting borrowers. Unscrupulous individuals try to lure consumers into questionable, high-cost deals or fraudulent transactions, usually involving new loans or credit cards or offers to help deal with debt problems. Deal with financial institutions or other companies you know or that you have independently verified as being legitimate. When in doubt, call your state or county's consumer protection office.

When choosing a credit card, ask yourself if you plan to pay the balance in full each month. In general, if you expect to pay your balance in full most months, look for a card with a full grace period and no annual fee. However, if you plan on carrying a balance, then a card with an annual fee and low APR (Annual Percentage Rate) may be better.

Know your credit limit and stay below it. There are two problems with going over your card's credit limit. One, your card issuer will charge you a penalty. Two, exceeding your credit limit may damage your credit score, which may mean higher interest rates, now and in the future. To be confident you are within your credit limit, periodically check your balance by phone or online. Also give yourself an extra cushion — either try not to get too close to your credit limit or call the card company to get a higher limit if you anticipate a special need, such as a vacation or major purchase.

Consider a fixed-rate mortgage loan even if adjustable-rate mortgages (ARMs) carry a lower initial interest rate. A fixed-rate loan adds certainty and stability to a big part of your loan payment, especially given that other housing costs — such as real estate taxes, insurance and home upkeep — are likely to rise. ARMs generally start with a lower interest rate, but remember that an ARM rate can go up, sometimes significantly.

Look into paying off your mortgage sooner rather than later. A mortgage with a long repayment term (30 or even 40 years) is very appealing because the monthly payments are relatively small. However, the downside is that you'll have a much smaller amount going to pay off your loan each month, and that can dramatically increase the total interest costs. You can save tens of thousands of dollars in interest by sending in extra payments — say, an additional $50 or $100 each month or one large payment once a year. There are pros and cons to the different strategies, so you may wish to consult with a financial or tax advisor about what is best for you.

Research government incentives for first-time homebuyers, low- or moderate-income families and other borrowers. Eligible applicants can save on the interest rate, closing costs, down payment and other loan terms. For example, mortgages insured by the Federal Housing Administration may feature low down payments and low closing costs (go to www.hud.gov/buying/loans or call 1-800-569-4287). For programs offered by your city, county or state government, call its housing agency or check its website.

Think carefully about how much car you can afford and how much of a loan you need. The dollar amount of your loan largely will be determined by the sales price of the vehicle minus your down payment, any rebates and

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store cards — even if you rarely use them or don't carry a balance on them — represents money that you *could* borrow. As a result, if you apply for a mortgage, a car loan or some other important loan, you may only qualify for a smaller loan amount or a loan with increased costs or fees. Two or three general-purpose cards and a few (if any) cards issued by stores probably are enough for the average family. Consider keeping the cards you've had for a long time and handled well because they can show a long history of responsible credit use.

continued from 2007 on the previous page

the value of any trade-in. Don't forget the cost of auto insurance, sales taxes, annual property taxes on the car (if any), and options you may be inclined to buy, such as an extended warranty. Also remember that every item you add to your loan instead of paying upfront will add to the interest you pay on the amount financed.

Consider saving, not borrowing, your first choice for paying for college. College loans can be costly, and the easiest way to avoid those costs is to have your own college savings fund. Starting a college savings account, such as a state-sponsored "529 Plan," allows families to maximize growth in a tax-advantaged account and reap the benefits of compounding small amounts of money into a large sum over time (i.e., by the time the child graduates from high school). Investment advisers also recommend an automatic investment plan tied to your bank account or paycheck.

Think twice before borrowing against your home or retirement accounts to pay for college. Parents who do not qualify for a tax deduction on loans for higher education may want to consider using a home equity loan if they qualify for a tax break on the interest. But remember, a home loan puts your house at risk. Another option is to borrow from your retirement savings, but most investment advisers recommend against that because it may reduce your future earnings from compounding interest and make it tougher for you to retire when you want.

Youth is no excuse for defaulting on a student loan. At some point, perhaps after graduation, the loan payments will begin. While other loans (such as credit cards) and high living expenses make it tough to pay off college loans, the non-payment of a student loan is a bad way to start adulthood. Your credit report will be damaged and your ability to obtain new credit or even qualify for certain jobs may be jeopardized. If your good intentions fail and you have no way of making a payment, contact the lender immediately. Many lenders would rather work out some modified payment plan than have a borrower stop making payments completely. For more information on topics such as student loans and paying for college, visit the U.S. Department of Education's webpage at StudentAid.gov.

If you're borrowing to start or operate a small enterprise, consider an SBA-guaranteed loan. Under this program, the U.S. Small Business Administration guarantees a portion of a loan, often up to 85 percent, and enables a small business owner to qualify for attractive interest rates and financing options. For more information, call the SBA toll-free at 1-800-827-5722 or go to www.sba.gov.

Research local small business loan programs. These programs may include loans with below-market interest rates or no origination fees. Start by contacting your state or local department of economic development.

2010| Weighed Down by Debt? How to Ease the Load

Excerpted and updated from "Weighed Down by Debt? Here are Ways to Ease the Load," Fall 2010.

If you're overwhelmed by debt, it's crucial to find a solution. ***FDIC Consumer News*** offers a few tips.

Contact your lender immediately if you think you won't be able to make a loan payment. Lenders generally prefer to work with customers to find a solution that benefits both parties, so ask for their help, preferably before you miss a payment. With your mortgage, it's especially important to contact your lender or its loan servicer quickly to ask what can be done to keep your home. Programs exist to help homeowners with mortgage payment problems, but borrowers need to be proactive and reach out to their lender and respond to their requests for information.

You may also want to contact a reputable, nonprofit housing counseling agency approved by the U.S. Department of Housing and Urban Development (HUD). These organizations provide advice on housing issues, including dealing with missed mortgage payments and the possibility of foreclosure. Call 1-800-569-4287 or go to the HUD webpage at apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm.

Reputable credit counseling organizations can help you develop a personalized plan to solve a variety of money problems. The

quality of these organizations can vary, so interview several, check their background (including contacting your state Attorney General's office or local consumer protection agency for complaints), get key details and costs in writing before signing a contract, and ask about any disadvantages to a proposed solution. For suggestions on finding a reputable credit counseling service, visit the Federal Trade Commission (FTC) webpage at www.consumer.ftc.gov/articles/0153-choosing-credit-counselor.

Be very careful of "debt settlement" companies that claim they can reduce what you owe for a fee. FTC rules prohibit debt relief services from collecting a fee until after they have settled, reduced or otherwise changed the terms of at least one of the consumer's debts. These rules also require the companies to disclose information about how long it will take to obtain the promised debt relief.

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2014| Refinancing Loans: Not Just for Mortgages

Excerpted from "Refinancing Loans: Not Just for Mortgages," Spring 2014.

Most people know they can refinance a mortgage, but did you know you also can refinance personal loans, including auto loans, credit cards and student loans? Here are tips to help you decide if refinancing makes sense for you.

Think about your goals. Do you want to lower your interest rate? Extend the terms of your loan? Once you determine what you want to accomplish, you can make a better decision about whether refinancing is right for you.

Understand potential pitfalls. While you may be able to take advantage of promotional offers — such as introductory zero-percent interest or lower Annual Percentage Rates (APRs) by transferring a balance from one card issuer to another one and closing the original card account — you also may end up with a higher APR when the promotional rate ends. Closing a credit card account also reduces your available credit and may adversely affect your credit score, so consider keeping cards you have managed well for a long time.

If your credit score is low, consider waiting to refinance until you can raise it. You can protect yourself by ordering a free copy of your credit report from each of the three major credit bureaus (visit www.AnnualCreditReport.com or call toll-free 1-877-322-8228) and correcting inaccurate information. For more tips on improving your credit report and score, see the article on Page 12.

continued from 2010 on the previous page

Avoid scams. Warning signs of possible fraud by a debt settlement company or a credit counselor include demands for upfront fees and requests to start making payments to the organization instead of your creditors directly. Also be wary of promises to quickly eliminate your debts or remove negative but accurate information from your credit file. The only legitimate way to rebuild a bad credit history is to show you pay your debts on time and keep your debt to a manageable level.

Remember that you have rights when it comes to debt collection. The federal Fair Debt Collection Practices Act (FDCPA) requires that you be treated fairly and without harassment. For more information about your rights under the FDCPA, visit the FTC's webpage at www.consumer.ftc.gov/articles/0149-debt-collection.

Getting Organized

1996| Tips for Finding Lost or Forgotten Money

Excerpted and updated from "Hidden Assets: Out of Sight … Out of Mind … Out of Luck?" Fall 1996.

All sorts of property gets abandoned. At banks, the list includes checking and savings accounts as well as valuables in safe deposit boxes. How can you "lose" these assets in the first place? You could have moved, not given a forwarding address and forgotten about the money. You could have changed your name and not notified your banks and other companies. You may be unaware of the money entirely — perhaps because it was given to you as a child or you inherited it — and now the people who have it for you can't find you.

The rules governing unclaimed bank accounts vary from state to state. In general, after several years without activity — you've made no deposits or withdrawals, you haven't cashed a check — and after efforts to reach you fail, the property will be considered abandoned and will "escheat" (a fancy legal term for being transferred) to the state government of your last known address. The state becomes the custodian of the property on behalf of the owner. Even if the state can't locate you and it sells your property, you still have the right to come forward at any time to claim its value. How can you uncover and recover your forgotten funds?

Search for unclaimed money the government might have for you. Start by visiting www.usa.gov/unclaimed-money and linking to the unclaimed property offices in the states where you or your benefactors have lived or conducted business. That same webpage also has links to unclaimed funds held by the federal government, including the FDIC. These assets at federal agencies include uncashed tax refunds, U.S. Savings Bonds and Treasury securities, Social Security benefits and veterans' benefits. The FDIC occasionally winds up with temporary possession of deposits and contents of safe deposit boxes left in failed banks and savings institutions. The FDIC may still have possession of the asset or may have transferred it to an assuming bank or to the state.

Contact financial institutions, former employers, landlords, utilities and other people you suspect still owe you money. If you can't locate a company on your own, search online or ask at the library to check a business directory. If it's a bank you're looking for, the FDIC's BankFind database (research.fdic.gov/bankfind) keeps a status report for every insured bank going back to 1933. This information will show, for example, if the bank was bought by another bank, changed names or locations, or closed.

Be on guard against fraud. Many excellent "tracer" companies, for a fee based on actual recoveries, will help people who don't want to take the time to research unclaimed property or whose cases may be unusually complex. But a con artist might contact you about "inside information" regarding assets due to you. This person probably will demand money upfront for help reclaiming your property. In reality, this person probably only has the same list of unclaimed property available to everyone, for free. Think carefully before paying anything upfront.

2011 | Strategies for Simplifying Your Financial Life

Excerpted from "Basic Strategies for Simplifying Your Financial Life" and "Your Financial Records: What to Toss and When," Winter 2010/2011.

There are many reasons to organize and simplify your financial life. Here's one motivating factor: Not keeping tabs on your finances can be costly if it results in fees or interest charges you could have avoided, investment losses, additional taxes or other pitfalls. ***FDIC Consumer News*** offers a checklist of basic things you can do to get your money matters in order ... and keep them that way.

Automate recurring bills. Many merchants, such as insurance companies or utilities, will allow you to pay recurring bills with an automatic withdrawal from your checking account or through a charge to your credit card. However, be sure to record these transactions in your check register to avoid overdrawing your account. If you charge the bills to a credit card, pay the balance in full by the due date to avoid interest charges. Banks also offer online bill-paying services that allow you to pay bills quickly and easily. These programs generally allow you to sign up on your bank's website to receive bills electronically from companies you do business with. Then you can review the bill and pay it online. Unlike with automatic withdrawal, you control the payments online.

Explore online banking. This service lets you review deposits and withdrawals, keep track of your balance, move funds between accounts, and pay bills at your convenience. For example, with online banking you can quickly review your account and make sure you didn't forget to record any debit or ATM card transactions in your check register. You can get an update on whether funds from recent deposits are available for withdrawal.

Put some savings on autopilot. Arrange with your bank or employer to automatically transfer a certain amount into savings accounts or investments on a regular schedule.

Know what to toss and when. In very general terms, because the Internal Revenue Service has about six years to assess additional tax if you underreported your income by more than 25 percent, many tax advisors recommend holding all tax records for about seven years, building in extra time for any unforeseen delays in processing your return. With tax considerations in mind, here are suggestions that may be reasonable for many people:

- Save credit card and bank account statements with no tax significance for about a year, but those with tax significance should be saved for seven years.

- Canceled checks that are unrelated to anything you claimed on your income tax form and are not needed to show you've paid a bill or debt probably can be destroyed after you've verified that your bank statement is correct. But canceled checks that support your tax returns probably should be held for seven years. You may want to keep canceled checks and related receipts or documents for a home purchase or sale, renovations or other improvements to a property you own. Once the home has been sold and another seven years have passed, the checks can be destroyed.

- Save deposit, ATM, credit card and debit card receipts until the transaction appears on your statement and you've verified that the information is accurate. You may make an exception for receipts for expensive items. If they are under warranty or you have to file an insurance claim, the receipt may be helpful.

- Before tossing away any document that contains a Social Security number, bank account number or other personal information (especially financial information), shred it to avoid becoming a victim of identity theft.

For additional guidance, ask your accountant, attorney or another trusted advisor. 🏛

2018 | Safe Deposit Boxes, Home Safes and Your Valuables

Excerpted from "Five Things to Know About Safe Deposit Boxes, Home Safes and Your Valuables," Winter 2018.

Over time, your valuables change, and so do your options to protect them. Here are a few choices.

Think about what should or should not be kept in a bank's safe deposit box. Good candidates include originals of key documents, such as birth certificates, property deeds, car titles and U.S. Savings Bonds that haven't been converted into electronic securities.

You're better off stashing your cash in a bank deposit account, like a savings account or certificate of deposit, than in a home safe or a safe deposit box. Cash that's not in a deposit account isn't protected by FDIC insurance. And unlike money in a savings account, money in a home safe or safe deposit box cannot earn interest.

A home safe isn't a true replacement for a bank's safe deposit box. A burglar could more easily break into your home and open the safe than get inside your safe deposit box at your bank.

No safe deposit box or home safe is completely protected from theft, fire, flood or other loss or damage. Consider taking precautions, such as protecting against water damage by placing items in water-safe plastic storage bags or other plastic containers that can be resealed.

Be mindful of whom you allow to access your safe deposit box. You can jointly rent a safe deposit box with one or more people whom you would like to give unrestricted access. Keep in mind, though, that your bank would likely not be responsible for anything that people you authorize to enter the box remove without your permission. And, who has access to your safe deposit box if you die? That depends on state law. 🏛

For Different Ages and Stages

1994| A Crash Course for Young Adults Starting to Face the Financial Jungle

Excerpted and updated from "A Crash Course for 20-Somethings Starting to Face the Financial Jungle," Summer 1994.

According to the Consumer Financial Protection Bureau in 2017, nearly half of student loan borrowers leaving school owed at least $20,000. As a graduate, you also may be paying for a car, rent, furnishings and credit card debt. That's why we offer some basic tips.

Select a financial institution that's right for your needs, not necessarily those of your parents. Does the institution offer account products that meet your needs, such as free checking with a low minimum balance requirement? What are the fees? Does it offer competitive interest rates on loans? These and many other questions can·be answered by going online or walking into a branch office.

Know your rights and responsibilities if you want a loan. A default on a student loan can result in a bad credit history that can cost you more money down the road, such as when you apply for a loan. Take time to understand your rights and responsibilities and reach out to the lender for help at the first sign you may not be able to make a payment.

Be careful with credit cards. Credit cards can help you establish a credit history. To build a good credit history you can make small purchases and pay off the balance. You may be able to get your first credit card in your name by having a parent co-sign for it. By maintaining a job and paying credit card bills on time, you should be able to get cards on your own eventually.

Take steps to improve a bad credit history. A good credit history will be essential if you are seeking credit to buy a home or an automobile. When debts go unpaid, the interest and the amount owed can increase enormously. If you are having difficulty paying a bill, ask to set up a more convenient payment plan. Creditors are more likely to work with people who try to restructure their obligations, rather than ignore them. Failure to make regularly scheduled payments on a debt will be reflected on your credit record and can affect your future buying power and financial flexibility. Also watch out for marketing scams that offer easy credit, guaranteed credit approval or the chance to clean up your credit history for a fee.

Start saving for your future. Most young adults don't recognize the importance of building a nest egg. When in your 20s and 30s, it's a good idea to put a percentage, maybe 10 percent, of your monthly income into savings and investments. If 10 percent is too much at first, pick a percentage that works for you. Over time, even small amounts will build to larger ones and can help you purchase a house, start a family or be prepared if you find yourself unemployed or temporarily unable to work. Retirement savings plans such as IRAs are examples of accounts you can contribute to and also save money on taxes.

Learn as much as you can about personal finance. Many colleges, local governments and other organizations offer personal finance resources including classes. Also consider visiting your local library. There are plenty of books, magazines and other sources of information that can prove helpful when trying to improve your finances. The FDIC offers free podcasts and an online learning tool at www.fdic.gov/moneysmart. Invest time in your financial education and consider it part of your overall investment strategy. 🏛

2013| For Seniors: Tips for Protecting Your Finances and Steering Clear of Scams

Excerpted and updated from "For Seniors: Quick Tips for Protecting Your Finances" and "How Older Adults Can Steer Clear of Scam Artists," Summer 2013.

No matter how old or young you are, there are some basic things you can do to better manage your finances. Here are banking and other money-management tips for seniors to consider for their retirement years.

Decide if you need financial help from an expert, and then choose wisely. A financial advisor could help answer questions such as how quickly to take money from savings and how to invest in your later years. But before you follow the advice of a supposed "expert" who claims to have special credentials for advising seniors, research what that title means and the advisor's background. To learn more about professional designations and for tips on choosing an investment advisor, visit the Financial Industry Regulatory Authority website at www.finra.org.

Prepare for the possibility that you may become unable to handle your finances. Consider writing down a list of your financial institutions and account numbers and keeping it in a safe place that would be accessible by your loved ones in an emergency. An attorney can help you decide if you should have a legal document known as a power of attorney, which would allow one or more people you designate to make key decisions with as much or as little of your financial or personal life as you choose. You can also add a co-owner to a deposit account, but that person has the ability to conduct transactions, including withdrawing money from a checking or savings account, without your prior approval. Your banker or attorney may be able to help you identify other possible alternatives, but you still must think carefully about to whom you give access to your money.

Develop a spending plan for your retirement. Having a plan for your

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money and limiting expenses in retirement is important. Think about new ways to cut costs, such as by letting your auto insurer know you no longer drive your car to work. Consider continuing to put some of your income into savings, especially for short-term goals such as holiday gifts, because that can help you avoid a large, sudden withdrawal from your retirement investments. Also see our article on retirement planning (Page 2).

Remember that a reverse mortgage will eventually have to be paid back, with interest. Reverse mortgages allow homeowners age 62 or older to borrow against the equity in their homes without having to make monthly payments as long as they meet the terms of their loan agreement, such as staying current on property taxes. However, the money borrowed plus interest must eventually be repaid, usually when you or your heirs sell the house.

Organize and protect your important documents. Items to keep at home, in a secure place that's easy for you to get to, may include your bank and brokerage statements, insurance policies, Social Security and company pension records and other personal and financial papers you or your family might need on short notice. If caregivers or others regularly visit you, make sure that your checkbooks, credit cards and other financial records are protected. For additional suggestions, see our articles on safe deposits and home safes (Page 16) and preparing financially for a natural disaster, a fire or other misfortunes (Page 9).

Steer clear of scam artists. Anyone can be a victim of financial fraud, but older adults are particularly at risk. Those who commit elder fraud range from loved ones — family members, friends or caregivers — to complete strangers. To protect yourself or someone else:

• Remember the red flags of a fraud. These include an unsolicited phone call, email or other request that you pay a large amount of money before receiving the promised goods or services; an offer that seems too good to be true, like an investment "guaranteeing" a return that's way above the competition; and pressure to send money quickly. Also be wary when someone expresses a new or unusual interest in your finances.

• Protect your personal information. Never provide Social Security numbers, bank account information, PINs, passwords and other sensitive information in response to an unsolicited call, fax, letter, email or text message, no matter how genuine the situation may appear.

• Look at your credit card bills and bank statements as soon as they arrive and report unauthorized purchases, withdrawals or anything suspicious, regardless of how small or large.

Many people also make the mistake of not telling loved ones or not contacting the police or other law enforcement agencies when they've been victimized. Perhaps some are embarrassed to admit that they were "misled" and lost money. Others have fears of losing their independence. As difficult as this may be, reporting the incident is the only opportunity you have to recover some or all of your loss.

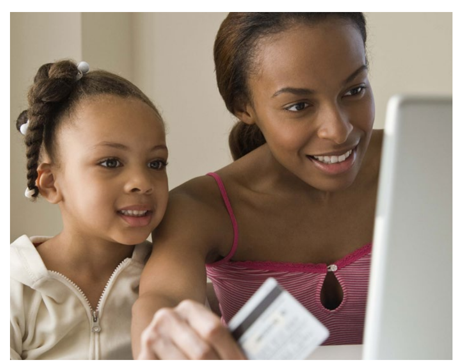
2015 | From Preschool to College: Teaching Young People About Money

Excerpted and updated from "For All Ages: Teaching Young People About Money," Spring 2015.

It's never too early or too late to introduce everyday financial concepts to a young person. Here are tips from ***FDIC Consumer News*** to help parents, guardians and caregivers show a child — from a preschooler to a college student — why and how to become responsible with money.

Engage in regular conversations about money-related topics. Discuss with your child what you are doing, and why, when you manage money at home, around town or with the bank. For example, consider talking about similar products that have noticeably different prices at a store, and how you decide what is a good deal. You can explain that having a savings account at a bank has advantages such as income from interest, peace of mind of knowing the money will be there when you need it, and FDIC deposit insurance coverage for each customer up to at least $250,000 if the bank fails.

Consider giving an allowance as a teaching tool. It can be a positive way to teach children, even those who are preschool age, about money management. There are many approaches to giving an allowance, including whether to tie it to work such as household chores, so each family will need to decide what is best for them. But before you give the first allowance, help your child decide how much he or she will spend now and how much to save for future goals. Also talk through the tradeoffs involved with spending decisions, such as how buying one toy may mean foregoing the opportunity to purchase another item the child also wants. And for younger kids, consider paying an allowance in smaller denominations to make it easier to learn counting skills.



Help your children develop a healthy skepticism of advertising and unsolicited inquiries. In general, teach them how to analyze advertisements; they need to know that "special offers" often are not the great deal they appear to be. Even young consumers are targets for identity thieves and among the victims of scams and rip-offs. Information for parents is available at the Federal Trade Commission website www.consumer.ftc.gov/topics/protecting-kids-online.

Test Your Financial IQ

2005| Take Our Quiz on Money Management

Excerpted and updated from "Take Our 'Financial Aptitude Test' — the FAT," Spring 2005.

1. It's always best to send in just the minimum payment due on a credit card bill each month and stretch out the card payments as long as possible instead of paying the bill in full. ***True or False?***

2. Your credit record (your history of paying debts and other bills) can be a factor when you apply for a loan or a credit card but will never affect non-credit decisions, such as applications for insurance or an apartment. ***True or False?***

3. There's no harm in having many different credit cards. ***True or False?***

4. A debit card may be a good option for a young person. ***True or False?***

5. People in their 20s should just focus on meeting monthly expenses and not start saving for retirement until their 40s at the earliest. ***True or False?***

6. If you receive an email from a company you've done business with asking you to update your records by re-entering your Social Security number or bank account numbers, it's safe to provide this information as long as the email explains the reason for the request and shows the company's official logo. ***True or False?***

7. All checking accounts are pretty much the same in terms of features, fees, interest rates, opening balance requirements and so on. ***True or False?***

8. If you or your family has $250,000 or less on deposit at an FDIC-insured bank, and the bank fails, your money is completely safe. ***True or False?***

CORRECT ANSWERS

1. False Make sure that the credit card company receives as much or all of the balance due on your credit card by the due date. This helps you minimize or avoid costly interest charges.

2. False Credit bureaus prepare credit scores for lenders, employers, insurance companies, landlords and others who need to know someone's financial reliability. The weaker your credit scores, the more likely you could be turned down for a job or an apartment or be quoted a higher cost when you apply for auto insurance.

3. False The more credit cards you carry, the more inclined you may be to use them for costly impulse buying. In addition, each card you own — even the ones you don't use — represents money that you *could* borrow up to the card's spending limit. This means that the next time you apply for credit you may only qualify for a smaller or costlier loan.

4. True Among the benefits of debit cards: As long as you are careful to avoid overdrawing the account, you won't go into debt and you won't pay interest because the money is automatically deducted from your bank account.

5. False Experts say it's important for young people to save money for long-term goals, particularly retirement (even though it may be 40 or 50 years away). Start saving as early as you can. The combination of adding to savings and the compounding of interest can bring dramatic results over time. Also explore options to save money at work, which may come with matching contributions from your employer.

6. False Reputable organizations won't contact you to verify account information online because they already have it.

7. False Banks usually offer several accounts to choose from with different features and fees. That's why it's important to shop around for a good deal.

8. True Your funds in checking and savings accounts are fully insured up to $250,000, and sometimes more, under current laws. To learn more, call the FDIC toll-free at 1-877-ASK-FDIC (1-877-275-3342) or go to our "Deposit Insurance" webpage at www.fdic.gov/deposit. If you are a person who is deaf or hard-of-hearing, please call 1-800-925-4618.

FDIC
Consumer News

Published by the Federal Deposit Insurance Corporation

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Beginning September 2018, ***FDIC Consumer News*** will become a paperless, monthly publication. The new articles will still be posted at www.fdic.gov/consumernews. Printable and Spanish versions will be available on the same webpage. For additional information, see the article on the back page of this special edition.

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Changes are coming for ***FDIC Consumer News*** and for subscribers to our paper edition. Beginning September 2018, our newsletter will be a paperless publication consisting of single articles, at least one per month, delivered to subscribers via email or social media (such as Facebook or Twitter). Although this new system means that the FDIC will no longer distribute paper copies of ***FDIC Consumer News*** to subscribers in the mail each quarter, we are encouraging those subscribers to learn about the potential benefits of electronic delivery and to consider signing up.

First and foremost, the changes will allow us to cover more topics and provide more information, including breaking news and updates to articles, at any time, not just once a quarter. Also, by using a personal computer, laptop, smartphone or tablet, subscribers will receive ***FDIC Consumer News*** articles anywhere they are and immediately after each article is published. And anyone with internet access can go online to the ***FDIC Consumer News*** website (www.fdic.gov/consumernews) and easily find previously published articles and resources (including videos) on related topics. E-reader versions of articles also will be available at that same website.

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As we look back on the first 25 years of ***FDIC Consumer News***, we also look forward to many more years as a source of helpful tips and common-sense strategies to protect and stretch your hard-earned dollars. That's been our goal since 1993 … and that's *not* changing.

Jelena McWilliams Is the New FDIC Chairman

Jelena McWilliams was sworn in for a five-year term as Chairman of the FDIC on June 5, 2018. She was previously a bank executive, a U.S. Senate staff member and an attorney at the Federal Reserve Board. Chairman McWilliams succeeds Martin J. Gruenberg, who has served on the FDIC Board since August 22, 2005, as Vice Chairman and Acting Chairman before becoming Chairman on November 29, 2012, and will continue as a member of the Board.