

Deposit Insurance Coverage Training Request for Comments:

Being a Banker at a small community bank in rural Kentucky, I personally like the way the proposal has addressed the cost of the training. Currently many small community banks are feeling the pressure of the vastly changing compliance landscape and the financial burden that it has put on many of us. The burdens of the creating of the training and the cost of the training have been taken off of the banks; and have been taken care of by the FDIC. This should also ensure the accuracy and completeness of the training provided to staff.

It's my opinion that the majority of the aspects proposed could potentially benefit in the education of depositors. That said; I feel that the FDIC has already taken several steps in providing good and meaningful information to both depositors and to Insured Depository Institution (IDI). The FDIC has provided various tools include: free webinars, EDIE (including a brand-able EDIE version), Money Smart training, Weekly Consumer Tips, brochures, etc.

The information is available and is more than sufficient, but like most information included in a disclosure or brochure, most depositors have no desire to read through the pages and pages of information and trying to work out a formula reminiscent of high school algebra. Instead of producing more information, I believe both depositors and IDIs would be better served by simplifying the calculation for FDIC insurance coverage. In the last few years there have been several adjustments to how the calculations are to be performed, perhaps adding some additional confusion.

The scope of the training requirement seems reasonable to me. There are various positions in our bank that would never discuss the topic of FDIC insurance limits with depositor. If they are asked questions on this topic they would refer the depositor to someone that is more knowledgeable on the subject, and better equipped to answer the questions. I think this gives the depositor a better answer and better support. If for example lending staff were required to receive this training on an annual basis, odds are they wouldn't approach the subject but once a year when they had their training. The lack of use alone would degrade in their memory and ability to affectively answer questions on this topic.

The provision of having to inquire from the depositor about their account relationships with the IDI; is the provision that I think will cause the most issues. Most banking software systems should already have the capability of showing what deposits an individual has at the IDI; regardless of their amount of total deposits. In my experience in dealing with the public there will be several depositors offended by being asked such questions; since you should already have that information available to you. It would be more appropriate to require the delivery of the FDIC's Deposit Insurance Summary publication to all depositors opening a new account that have deposits that exceed the SMDIA of \$250,000. That or simply to require that the publication be available in all retail lobbies, that way all depositors would have greater access to the publication and reduce the potential for technical violations.

I don't see any issues for requiring EDIE or a link to EDIE on the IDIs website. After all, most depositors see their bank as their primary financial resource. However I'm not in favor of being required to have a dedicated terminal to run the EDIE application. I feel that would lead to an increase in depositors just being pointed to the terminal to figure it out by themselves, when that's something they can do on the FDIC's website and/or on many IDIs websites already. There can also potentially be some additional security issues presented by having a terminal available for unsupervised public use. I feel the best option for both parties would be to have an IDI employee to sit down with the depositor and address their questions and concerns about FDIC insurance. After all, if the employees are to be required to receive the training they might as well put that training to use.

I'm indifferent as to the CBI software program having a feature that would confirm that training has been completed by the covered employees or not. If it has one we could use it but if it doesn't the some kind of confirmation from the employee and a simple spreadsheet would also work and would be minimal effort to complete.

Submitter Info

Please Do Not Reply To This Email.

Public Comments on Amendments to Deposit Insurance Regulations: Deposit Insurance Coverage Training; SMDIA Notification:=====

Title: Amendments to Deposit Insurance Regulations: Deposit Insurance Coverage Training; SMDIA Notification

FR Document Number: 2011-03085

Legacy Document ID:

RIN: 3064-AD37

Publish Date: 2/11/2011 12:00:00 AM

Submitter Info:

First Name: Jonathan

Last Name: Goforth

Mailing Address: PO Box 366

City: Stanford

Country: United States

State or Province: KY

Postal Code: 40484

Organization Name: PBK Bank

Please see uploaded file for comments.