

The government shutdown has raised some consumer concerns regarding its effect on access to their money and other banking services. Here is a list of answers to some of the more frequent questions:

- ◆ **Deposits are safe.** The Federal Deposit Insurance Corporation (FDIC) will continue to insure deposits. This protection is provided through insurance fees paid by banks and is not subject to the federal budget.
- ◆ **Social Security and Medicare payments will continue.** Both are funded by payroll taxes and will continue to make payments, including direct deposits, during the shutdown.
- ◆ **Most loans are still available.** Fannie Mae and Freddie Mac are largely unaffected by the shutdown as their operations are funded by fees to lenders so most loans will continue to be available to consumers. This same scenario applies to VA loans. *SNBT will continue to make fixed rate, fixed term mortgage loans for purchases or to refinance. The shutdown has no effect on our mortgage lending.*
- ◆ **Government-guarantee loans may be unavailable.** There seems to be conflicting information on this. However, sources available to the WBA indicate the Farm Service Agency (part of the Department of Agriculture), Federal Housing Administration and Small Business Administration will process loans at a reduced rate which may create a backlog and could keep banks from offering consumers these products. This does not apply to Fannie or Freddie (see above point). *SNBT participates with the SBA to provide small business loans for new and existing businesses to encourage the entrepreneurial spirit, encourage economic growth and to create jobs. The government shutdown may limit our ability to provide SBA loans in a timely and efficient manner.*
- ◆ **Banks will continue to be regulated.** The primary banking regulators Federal Reserve Board, the Office of the Comptroller of the Currency, the Consumer Financial Protection Bureau and the Federal Deposit Insurance Corporation will all remain open as they are not subject to the federal budget.

Bankers across the state are already working with their customers as issues and concerns stemming from the government shutdown are raised. However, the majority of customers and bank services offered will not be affected by this national event.