



## **FREQUENTLY ASKED QUESTIONS ABOUT THE FDIC TAG EXPIRATION**

**For more information, visit [www.fdic.gov](http://www.fdic.gov) or  
call the FDIC toll free at 1-877-275-3342**

### **Q: What is the Dodd-Frank Transaction Account Guarantee (TAG) Provision?**

**A:** Section 343 of the Dodd-Frank Act, commonly known as the TAG program, was passed by congress as part of the Consumer Protection Act. The TAG program increased the available FDIC insurance coverage for deposit products by providing separate, unlimited coverage of noninterest-bearing transactional accounts, above and beyond the standard \$250,000 for cumulative balances in deposit accounts.

### **Q: What does 'Noninterest-Bearing Transaction Account' mean?**

**A:** Basically, this refers to checking accounts which do not earn interest. At SNBT, that includes: Free Checking, Business Checking, Advantage Checking, Community Checking, and IOLTAs.

### **Q: When does the FDIC TAG extension expire:**

**A:** The original act was to be in effect until 12/31/2012. However, there is a chance congress might renew the extension, but that has not yet been determined.

### **Q: Does this mean my accounts are no longer insured by the FDIC?**

**A: No.** The standard FDIC coverage remains the same: deposit accounts are covered up to \$250,000 for each ownership category. For more information, visit <http://www.fdic.gov/deposit/deposits/dis/index.html> or call the FDIC toll free at 1-877-275-3342.

### **Q: Is \$250,000 the maximum FDIC coverage I can get?**

**A:** No, it is possible to have deposits over \$250,000 covered. Insurance can be increased based on joint ownership, beneficiaries named for accounts, and formal Trust Accounts.

### **Q: How will noninterest-bearing transaction accounts be insured by the FDIC? What will be the impact on deposit insurance coverage on other types of accounts?**

**A:** Beginning January 1, 2013, noninterest-bearing transaction accounts will no longer be insured separately from other accounts. Instead, noninterest-bearing transaction accounts will be added to any of a depositor's other accounts in the applicable ownership category, and the cumulative balance insured up to at least the standard \$250,000, per depositor.

**Q: How will the expiration of the TAG program affect deposit insurance coverage for Interest on Lawyer Trust Accounts (IOLTAs)?**

**A:** IOLTAs are a fiduciary account; FDIC regulations provide that deposit accounts owned by one party but held in a fiduciary capacity by another party are eligible for pass-through deposit insurance coverage if: (1) the deposit account records generally indicate the account's custodial or fiduciary nature; and (2) the details of the relationship and the interests of other parties in the account are ascertainable from the deposit account records or from records maintained in good faith and in the regular course of business by the depositor or by some person or entity that maintains such records for the depositor.

If an IOLTA does qualify for pass-through coverage as a fiduciary account, then each separate client for whom a law firm holds funds in an IOLTA may be insured up to \$250,000 for his or her funds.

**Q: Should I be concerned about the safety and soundness of my financial institution?**

**A: Yes.** First, one should be comfortable with the strength of the financial institution which holds their deposits and secondly with the FDIC Insurance Coverage available. The Stephenson National Bank & Trust has again exceeded the government standard for the capital-to-asset ratio, which is used to evaluate a financial institution's stability. SNBT has maintained a level of more than 65% higher than the required ratio for over 15 years, which means we are financially solid!

**Additional Resources:**

To find FDIC related publications regarding How Your Deposits Are Insured as well as locate the Electronic Deposit Insurance Estimator (EDIE - an interactive application that can help you learn about deposit insurance and allow you to calculate the insurance coverage of your accounts) visit [www.fdic.gov](http://www.fdic.gov) or call toll-free 1-877-ASK-FDIC (1-877-275-3342) Monday through Friday 8:00am to 8:00pm EST. For the hearing impaired, the number is 1-800-925-4618.

Should you have any additional questions about FDIC Insurance coverage or any of the products and services provided by The Stephenson National Bank & Trust please feel free to contact a Personal Banker at 715-732-1732 or visit our website [www.snbt.com](http://www.snbt.com).

