

FDIC UPDATE

Recently, the FDIC has taken some proactive measures to ease concerns about the current economic situation in our country. It is important to note that Royal remains “well-capitalized” and is in strong financial health. Presenting this information is part of our policy of helping our depositors better understand how the financial news of the day may impact them.

Our branch teams are trained to help you better understand recent changes to the FDIC insurance program. Please feel free to stop in to any branch to discuss your personal financial situation.

Emergency Economic Stabilization Act of 2008 Temporarily Increases Basic FDIC Insurance Coverage from \$100,000 to \$250,000 Per Depositor

On October 3, 2008, President George W. Bush signed the Emergency Economic Stabilization Act of 2008, which temporarily raises the basic limit on federal deposit insurance coverage from \$100,000 to \$250,000 per depositor. The temporary increase in deposit insurance coverage became effective upon the President's signature. The legislation provides that the basic deposit insurance limit will return to \$100,000 after December 31, 2013.

By letter dated October 3, 2008 (Financial Institution Letter 102-2008), the FDIC advised insured institutions they should inform depositors that the coverage increase is temporary and effective only until December 31, 2009. The legislation did not increase coverage for retirement accounts; it continues to be \$250,000.

FDIC Simplifies Coverage Rules for Revocable Trust Accounts

The FDIC's Board of Directors today adopted changes to simplify the rules for determining the coverage available on revocable trust accounts – commonly called payable-on-death accounts or living trust accounts. The interim rules, which are effective immediately, eliminate the concept of qualifying beneficiaries, so that coverage is based on the naming of virtually any beneficiary.

Under the revised rules, coverage for the vast majority of account owners generally is based on the number of beneficiaries named in a depositor's revocable trust account(s). The insurance limit will still be based on \$250,000 per named beneficiary. For revocable trust account owners with more than \$1,250,000 in such accounts naming more than five beneficiaries, the coverage is the greater of either \$1,250,000 or the sum of all the named beneficiaries' proportional interest in the trusts, limited to \$250,000 per different beneficiary.

FDIC Launches New Website Regarding Insurance Coverage

Latest news, advice from financial guru Suze Orman and an online coverage calculator are all available at a new FDIC website:

www.myFDICinsurance.gov



**“In just a few steps,
EDIE can tell you if all your money is FDIC insured. Let's get started.”**



All information on this sheet is as posted on the FDIC website, FDIC.gov.