

Keep It Safe



FDIC



FDIC Financial Education Curriculum

Welcome



1. Agenda
2. Ground Rules
3. Introductions



FDIC Financial Education Curriculum

Objectives



- **Recognize how federal deposit insurance protects deposits**
- **Recognize how to guard against identity theft**
- **Recognize how to prevent elder financial abuse**



FDIC Financial Education Curriculum

Objectives



- **Recognize how the various types of insurance will help you manage risks**
- **Recognize the need to plan for unexpected death or disability**
- **Describe the ways you need to be financially prepared for disasters**



FDIC Financial Education Curriculum

What Do You Know?



What do you know or want to learn about consumer protection laws and regulations?



FDIC Financial Education Curriculum

Truth in Savings Act

- Requires financial institutions to tell you the terms of deposit accounts (such as checking or savings accounts)
- Helps you make informed decisions



FDIC Financial Education Curriculum

Electronic Funds Transfer Act



- Limits your liability against unauthorized use of your Automated Teller Machine (ATM) card
- Protects against electronic transfer errors



FDIC Financial Education Curriculum

Other Regulations

- **Expedited Funds Availability Act**
 - Limits the time a bank can a check deposited into your checking account
- **FDIC Deposit Insurance Regulations**
 - Insures the funds in your deposit accounts



FDIC Financial Education Curriculum

Activity 1: Deposit Accounts Laws and Regulations

Complete Activity 1 in the Participant Guide.

- 
1. Read each scenario.
 2. Answer the questions.
 3. Be prepared to explain your answer.



FDIC Financial Education Curriculum

Protecting Deposit Accounts

- **FDIC insures funds in deposit accounts, including:**
 - Checking
 - Savings
 - Money Market Deposit Accounts (MMDAs)
 - Certificates of Deposit (CDs)



FDIC Financial Education Curriculum

Insurance Coverage

- **Coverage is based on:**
 - Ownership category:
 - Single accounts
 - Joint accounts
 - Revocable trust accounts
 - Certain retirement accounts
 - Standard Maximum Deposit Insurance Amount (SMDIA), currently \$250,000



FDIC Financial Education Curriculum

Additional Insurance Coverage Information

- Visit: www.fdic.gov/deposit/deposits
- Call: 1-877-ASK-FDIC
- Talk to your bank representative
- Use the Electronic Deposit Insurance Estimator: www.myfdicinsurance.gov



FDIC Financial Education Curriculum

Single Account

- **Owned by one person and titled in that person's name only**
- **Insured up to the SMDIA**



FDIC Financial Education Curriculum

Joint Account

- Owned by two or more people
- Titled jointly in the co-owners' names
- Insured up to the SMDIA for each co-owner



FDIC Financial Education Curriculum

Certain Retirement Accounts

- **Only the following are insured in this ownership category:**
 - Individual Retirement Accounts (IRAs)
 - Section 457 deferred compensation plan accounts
 - Self-directed, defined contribution plan accounts
 - Self-directed Keogh plan (or HR 10 plan) accounts



FDIC Financial Education Curriculum

Revocable Trust Account

- **A deposit account:**
 - Held as a payable on death (POD) or in trust for (ITF) account
 - Established in the name of a formal revocable trust (living or family trust account)



FDIC Financial Education Curriculum

Insurance Coverage for Revocable Trust Accounts

- **Coverage is:**
 - Provided to the owner of the trust
 - Based on the number of beneficiaries and the interests allocated to those beneficiaries, up to the insurance limit
 - Based on all revocable trust deposits held by the same owner at the same bank



FDIC Financial Education Curriculum

Identify the Account

Single Account Joint Account
Certain Retirement Account (IRA)
Revocable Trust

Choose one

1. Freda Roam has \$1,400 in a savings account at Sawmill Savings & Loan.
2. Homer Stead contributes \$50 a month to an IRA through his employer.



FDIC Financial Education Curriculum

Identify the Account

Single Account Joint Account
Certain Retirement Account (IRA)
Revocable Trust

Choose one

3. Trey and Josie deposited \$500 in a savings account together to start a college fund for their new baby.
4. Marcus's grandmother opened a savings account with \$2,500, from which Marcus will receive the proceeds in the event of her death.



FDIC Financial Education Curriculum

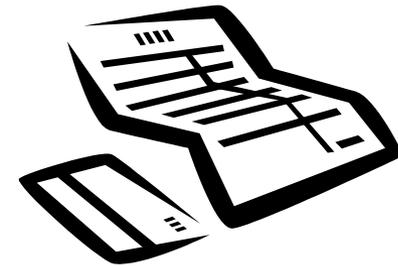
Non-Deposit Investment Products

- **FDIC does not insure non-deposit investment products:**
 - Robert has a \$10,000 CD and invested \$10,000 in a mutual fund at a bank that fails.
 - His \$10,000 (+ interest) for the CD is covered by FDIC, but not the \$10,000 he invested in the mutual fund.



Privacy Notices

- **Required by law to explain how the company handles and shares your personal financial information.**
- **Types of notices:**
 - Initial Privacy Notice
 - Annual Privacy Notice
 - Notice of Changes in Privacy Policies



Opting Out

- You have the right to stop or “opt out” of some sharing of your personal financial information.
- To opt out:
 - Call 1-888-5-OPTOUT (567-8688)
 - Visit www.optoutprescreen.com



FDIC Financial Education Curriculum

What is Identity Theft?

- When thieves steal your personal information and pretend to be you
- **If not detected early, you may face months or years cleaning up the damage to your reputation and credit rating.**



FDIC Financial Education Curriculum

Common Forms of Identity Theft

- **Phishing**

- Unsolicited emails that appear to be from a legitimate source

- **Pharming**

- Fake websites seeking personal or private information by appearing legitimate

- **Skimming**

- Special storage device used to obtain credit/debit card numbers



FDIC Financial Education Curriculum

Identity Theft Information



Federal Trade Commission (FTC):

- www.ftc.gov/idtheft
- 1-877-IDTHEFT (438-4338)



FDIC Financial Education Curriculum

Activity 2: Identity Theft Self-Check

Complete Activity 2 in the Participant Guide.

- 
1. Respond to each statement.
 2. Tally your score.



FDIC Financial Education Curriculum

Victims of Identity Theft

- **Take action immediately:**
 - File a police report
 - Contact your creditors
 - Follow up in writing
 - Use the ID Theft Affidavit at www.ftc.gov/idtheft
 - File a complaint with the FTC
 - Ask for verification that disputed accounts have been closed and fraudulent debts discharged



FDIC Financial Education Curriculum

Fraud Alert



- **Initial fraud alert – 90 days**
- **Extended fraud alert – 7 years**
 - Prospective lenders must contact you to authorize any new account in your name.
- **Security freeze**
 - You must authorize any access to your credit report.



FDIC Financial Education Curriculum

If Your Wallet/Purse is Lost or Stolen:

- **File a police report**
- **Cancel your credit cards immediately**
- **Place a fraud alert on your credit report**
- **Report the loss to your bank**
- **Contact major check verification companies**
- **Get a new ATM card with a new number and password**



FDIC Financial Education Curriculum

What is Elder Financial Abuse?



Using an elder's money or assets contrary to his or her wishes, needs, or best interests for the abuser's personal gain



FDIC Financial Education Curriculum

Examples of Elder Financial Abuse

- **Taking money or property**
- **Forging a signature or using deception to get the elderly to sign legal documents**
- **Using property or possessions without permission**
- **Promising care in exchange for money or property, and not following through**
- **Using telemarketing to commit scams against older people**



FDIC Financial Education Curriculum

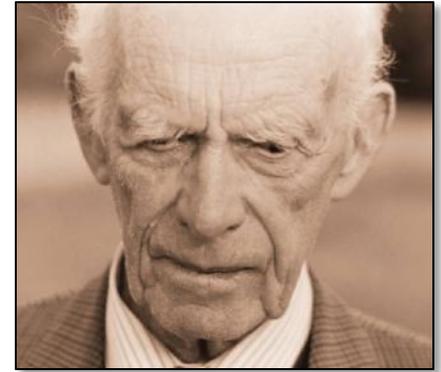
Potential Perpetrators

- **Family members that may:**
 - Have substance abuse, gambling, or other problems
 - Stand to inherit money
 - Fear inheritance will be used up
 - Have had a negative relationship with the elder
 - Have negative feelings towards other beneficiaries
- **Telemarketers**



FDIC Financial Education Curriculum

Who is at Risk?



- **Elders who:**
 - Are isolated or lonely
 - Have recently suffered a loss of spouse, pet, or family member
 - Are ill (physically or mentally)
 - Unfamiliar with financial matters
 - Have unemployed or substance-abusing family members



FDIC Financial Education Curriculum

How Can Elders Be Made Less of a Target?

- **Examine their lifestyle and protect them where needed:**
 - Ask questions to determine their vulnerability
 - Take steps to protect them



FDIC Financial Education Curriculum

How Can I Be More Careful in Employing Elderly Caregivers?

- **Ensure:**
 - The employment agency is reputable
 - The caregiver's references/background have been checked
 - The elder's checks, credit cards, etc. are secure
 - There is a written service agreement and log of workers, hours, salary payments, and caregiver expenses



FDIC Financial Education Curriculum

Information About Elder Financial Abuse

- **Contact:**

- Your state's Adult Protective Services department
- The U.S. Department of Health and Human Services' Elder Care Locator:

www.eldercare.gov

1-800-677-1116



FDIC Financial Education Curriculum

Insurance: Why the Need?



- **Insurance:**

- Protects you (and your family) from financial loss if the unexpected happens
- Prevents you from having to use funds set aside for other financial goals or emergencies
- Prevents you from going further into debt by having to borrow money



FDIC Financial Education Curriculum

Types of Insurance



Life insurance

Health insurance

Homeowner's/renter's insurance

Auto insurance

Disability insurance

Liability insurance



FDIC Financial Education Curriculum

Determining Your Needs



- **Coverage depends on your circumstances.**
- **Insurance may be required in some circumstances.**
- **Service members and their family:**
 - Ask how the company handles deployment
 - Shop around



Why Plan for Unexpected Life Events?

- **Planning ahead:**

- Gives you control
- Relieves stress of decision making
- Saves money and helps you avoid financial disaster or setback



FDIC Financial Education Curriculum

Long-Term Care

- How would you define long-term care?
- **Myth or fact: Long-term care is only a concern for the elderly.**
 - Myth. The need for long-term care can come at any age.



FDIC Financial Education Curriculum

Potential Disasters

- **Natural or man-made disasters strike without warning and can happen to anyone.**
- **What steps can you take to be financially prepared for potential disasters?**



FDIC Financial Education Curriculum

What To Have Ready

- **Forms of identification**
- **Your checkbook with blank checks and deposit slips to last at least a month**
- **ATM, debit and credit cards, and cash**
- **Phone numbers for financial institutions**
- **Account numbers**
- **Key to your safe deposit box**



FDIC Financial Education Curriculum

What To Keep and Where To Keep It

- **Make copies of important documents**
- **Determine what to keep at home and what to store in a safe deposit box**
- **Seal important documents in airtight and waterproof plastic bags/containers**



FDIC Financial Education Curriculum

What Else To Consider

- **Sign up for direct deposit**
- **Arrange for automatic bill payments**
- **Sign up for Internet banking services**
- **Review your insurance coverage**



FDIC Financial Education Curriculum

Activity 3: How Financially Prepared Are You?

Complete Activity 3 in the Participant Guide.

- 
1. Consider your situation.
 2. Answer the question.



FDIC Financial Education Curriculum

Summary

- **What final questions do you have?**
- **What have you learned?**
- **How would you evaluate the training?**



FDIC Financial Education Curriculum

Conclusion



- **You learned about:**
 - Laws and regulations that protect your deposits
 - Identity theft
 - Elder financial abuse
 - Types of insurance to help you manage risks
 - Financial preparedness



FDIC Financial Education Curriculum