

Keep It Safe



FDIC



FDIC Financial Education Curriculum

Welcome



1. Agenda
2. Ground Rules
3. Introductions



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Objectives



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



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Objectives

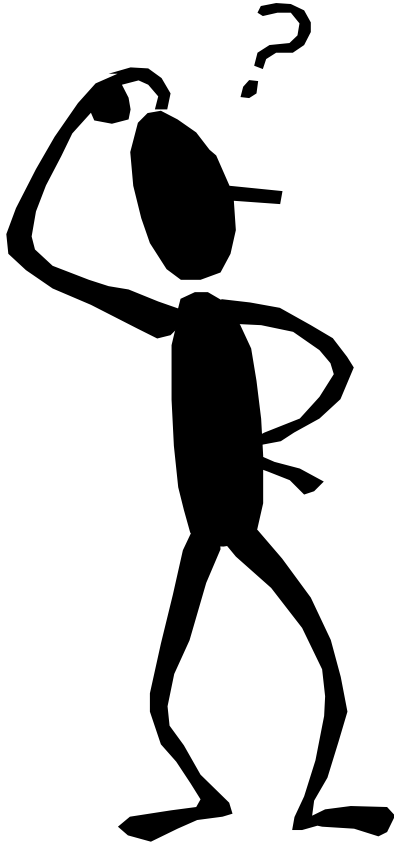


- **Recognize how the various types of insurance will help you manage risks**
- **Recognize the need to plan for unexpected death or disability**
- **Describe the ways you need to be financially prepared for disasters**



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What Do You Know?



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



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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



Electronic Funds Transfer Act



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



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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



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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.



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Protecting Deposit Accounts

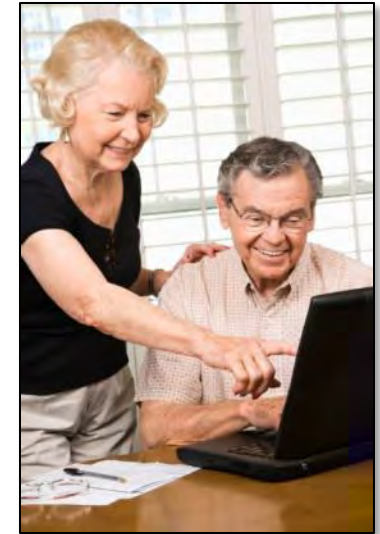
- **FDIC insures funds in deposit accounts, including:**
 - Checking
 - Savings
 - Money Market Deposit Accounts (MMDAs)
 - Certificates of Deposit (CDs)



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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



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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



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Single Account

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



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Joint Account

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



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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



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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)



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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



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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.



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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.



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Non-Deposit Investment Products

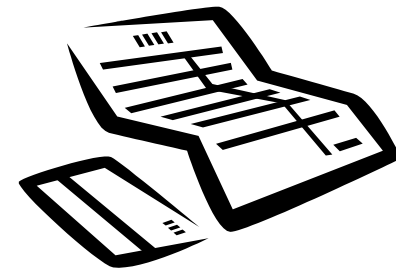
- **FDIC does not insure non-deposit investment products:**
 - Robert has a \$10,000 CD and invested \$10,000 in a mutual fund at a bank that fails.
 - His \$10,000 (+ interest) for the CD is covered by FDIC, but not the \$10,000 he invested in the mutual fund.



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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



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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



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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.**



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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



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Identity Theft Information



Federal Trade Commission (FTC):


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



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Activity 2: Identity Theft Self-Check

Complete Activity 2 in the Participant Guide.

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



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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



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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.



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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**



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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



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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



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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**



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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



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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



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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



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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



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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



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Types of Insurance



Life insurance

Health insurance

Homeowner's/renter's insurance

Auto insurance

Disability insurance

Liability insurance



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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



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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



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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.



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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?**



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



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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**



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What Else To Consider


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



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Activity 3: How Financially Prepared Are You?

Complete Activity 3 in the Participant Guide.

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



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Summary

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



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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



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