



»STEPHANIE HANSEN
VP & Cash Management Officer
Venture Bank
shansen@venturebankonline.com
www.venturebankonline.com
Member FDIC

How will the new Dodd-Frank Act affect FDIC Insurance on your business checking account?

BY NOW YOU HAVE LIKELY heard of the Dodd-Frank Act; and if you are managing a business checking account, it is important to understand how the Dodd-Frank Act will affect your FDIC insurance coverage.

The Dodd-Frank Act provides unlimited FDIC insurance for noninterest-bearing checking accounts in all banks effective December 31, 2010 through December 31, 2012. Currently, unlimited FDIC insurance on noninterest-bearing checking accounts is only available to you through the Transaction Account Guarantee (TAG) Program and only if your bank “opted in” to the TAG Program. The TAG program is not affected by the Dodd-Frank Act and will continue to provide unlimited FDIC insurance on applicable accounts through December 31, 2010.

The unlimited FDIC insurance under the Dodd-Frank Act will differ slightly from the current TAG Program. The current TAG Program provides unlimited FDIC insurance coverage on non-interest bearing checking accounts and interest bearing (NOW) accounts and IOLTA accounts when the rate of interest paid is limited to no more than 25 basis points. The Dodd-Frank Act provides unlimited FDIC insurance coverage only on noninterest-bearing checking accounts.