

## **Deposit Insurance - FAQ**

Each depositor is insured by the FDIC to at least \$250,000. All deposits above the FDIC insurance amount are insured by the Depositors Insurance Fund (DIF).

The DIF is a private, industry-sponsored excess deposit insurance company. Created by a special act of the Massachusetts legislature in 1932, the DIF began operations as a primary insurer in 1934. Today, the DIF insures the portion of deposits in its member banks in excess of the FDIC's \$250,000 per depositor limit.

### **I've noticed that my bank displays both the FDIC and DIF symbols. What does membership in these organizations mean?**

As a member of both the FDIC and the DIF, Eagle Bank provides full insurance for its customers' deposits and accrued interest, without limit or exception. The first \$250,000 per depositor is insured by the FDIC; all deposits above this amount are insured by the Depositors Insurance Fund (DIF).

### **Are all my deposit accounts fully insured in a bank providing both FDIC and DIF insurance?**

Yes. All types and classes of deposit accounts are covered, including savings accounts, checking and NOW accounts, CDs and bank money market accounts.

### **Are there any forms, applications or special account titles required to receive full deposit insurance?**

No. There are no forms, applications or special account title requirements. Full deposit insurance protection works simply. You automatically received this added insurance benefit when you make any deposit in Eagle Bank.

### **Does the FDIC or the DIF insure investments in bank mutual funds or annuities?**

No. Both organizations insure only bank deposits, and do not insure bank mutual funds or annuity products.

### **Has a depositor ever lost money in a bank insured by both the FDIC and the DIF?**

No depositor has ever lost a penny in a bank insured by both the FDIC and the DIF. The FDIC has always paid all deposits and accrued interest up to its insurance limit. The DIF has always paid all deposits and accrued interest in excess of the FDIC limit.

### **How strong are the FDIC and the DIF financially?**

The FDIC is backed by the full faith and credit of the U.S. Treasury. The DIF is a private, industry-sponsored organization with over \$300 million in assets and \$100 million in reinsurance. It is not backed by federal, state or local governments.

### **How are the assets of the DIF invested?**

Massachusetts law and the DIF's internal investment policies restrict the Fund to investments suitable for an organization that insures the public's deposits, primarily U.S. Treasury and

federal agency obligations. DIF investments are regularly reviewed by the Board of Directors to assure conformity both with the law and the Fund's internal investment policies.

**How does the DIF monitor the condition of its member banks?**

Both the FDIC and the DIF receive financial reports from their member banks on a quarterly basis. In addition, formal examinations are conducted regularly by the FDIC and the Massachusetts Division of Banks. The DIF meets regularly with both these regulatory agencies to review and evaluate the condition of its member banks.

**Is the DIF subject to any form of regulatory scrutiny?**

Yes. The DIF is examined regularly by the Massachusetts Commissioner of Banks and audited annually by an independent auditor.