

For Immediate Release



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To Banking or Business Editor:

Changes to Deposit Insurance Coverage Jan. 1st, 2013

January 3, 2013: Since 2010, the Transaction Account Guaranty Program (TAG) provided unlimited deposit insurance coverage on noninterest-bearing transaction accounts. No more. It expired as scheduled on December 31, 2012.

At September 30th, there was \$1.5 trillion exceeding the \$250,000 insurance limit deposited into these noninterest-bearing transaction accounts. If still there, these deposits are now uninsured. While there has been much focus on the size of the banks that would likely see deposit outflows as a result of the insurance change, we are focusing on the strength of those institutions.

Only you know if you have deposits that are now uninsured because they fall into this category. If you do, we would suggest you double-check the rating of the bank(s) in which they are placed. Over 90% of the banks currently on Bauer's Troubled and Problematic Bank Report (i.e. rated 2-Stars or below) reported having such deposits on their books as of September 30, 2012.

Here's the breakdown: 180 Zero-Star banks reported over \$2.7 billion of deposits in noninterest bearing transaction accounts; 111 1-Star banks reported over \$1.8 billion; and 373 2-Star banks reported over \$9.3 billion.

What's more, seven of the eight banks that failed in the fourth quarter 2012 reported having these deposits on their books at 9/30/12. That's 110 depositors that could have lost up to \$90 million collectively had those banks failed after January 1, 2013. Protect yourself. Don't take any chances. Check the rating of any institution(s) in which you have uninsured deposits. It's easy at bauerfinancial.com.

For more information and a breakdown of exactly how much is now insured based on account ownership, visit the FDIC at <http://fdic.gov/deposit/deposits/dis/index.html>.

BAUERFINANCIAL has been providing the public with the knowledge they need to make informed decisions regarding their banking relationships since 1983. BAUERFINANCIAL is the source that bankers and consumers trust when making important banking decisions. Let's face it, when it comes to money, all decisions are important.

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