



How To Keep Your Funds Protected

The volatility of our financial markets and the failure of banks, both big and small, continue to perpetuate fears over our financial stability. Will I lose my hard-earned savings? What happens if my bank fails? Do I have all of the information I need to keep my money safe?

We, at Large & Gilbert, P.C., want to make sure we provide you with the most up-to-date information to help you maximize your protection during this difficult economy. Back in June of this year, we sent out an FDIC Alert detailing how the Federal Deposit Insurance Corporation protects your funds in the event of a bank failure, and the specific limits on each type of qualifying accounts. To help ease financial woes, and in response to the growing number of failing banks across the country, the federal government has temporarily increased insurance coverage for funds in FDIC-bank deposit accounts from \$100,000 to \$250,000. This increase is currently active and will continue through December 31, 2009. To learn more about the temporary increase, visit <http://www.fdic.gov/news/news/financial/2008/fi108102a.html>. On January 1, 2010, FDIC insurance coverage will resume at standard levels. For more information on the standard limits and how FDIC insurance is calculated, please visit our website and take a look at our FDIC Alert at http://www.largeandgilbert.com/REM/LandG_062508_online.html

FDIC Coverage can be a confusing topic of discussion and even more cumbersome when trying to figure out the amount protected. This is why the FDIC has released an online calculator to help you determine if all of your funds are insured, especially in light of this temporary coverage increase. You may find the online calculator at

<https://www.fdic.gov/edie/index.html>. Before you access the calculator, you will need to gather information on all deposit accounts in question, such as current balances, account owners, and beneficiaries. For business accounts, you will also need business names and Employer Identification Numbers (EINs). However, an incorrect entry could affect the calculation, so please remember to be as accurate as possible when using this calculator.

Please make sure you obtain professional advice before creating certain account titles, such as joint accounts with children and spouse, or Pay-on-Death (POD) arrangements, as those types of accounts can actually thwart your estate plan or open up your money to lawsuits, if they are not created properly.

There are other ways to insure your funds in an FDIC-covered bank, even up into the millions of dollars! It's a program called the Certificate of Deposit Account Registry Service, or CDARS (pronounced "cedars"). This program will take deposits larger than the allowed FDIC coverage limit and break them up into multiple CDs, all with balances under the FDIC coverage limits to allow for interest accruals. You start with one FDICinsured bank and deposit your funds into that bank. You then agree to an interest rate that will apply to that account. The bank will then contact other FDIC-insured banks within the CDARS network to gather multiple CDs for amounts slightly below the coverage limit. All CDs will have the same interest rate based on the rate you agreed to with the original bank, and you will get one statement through the original bank detailing principal and interest amounts for all CDs, even if they're located throughout different banks. To illustrate how this program works, visit <http://www.cdars.com/how-cdars-works-vid.php> for an online video produced by CDARS.

We, at Large and Gilbert, understand the worries we face today even with money in the bank and the importance of getting some peace of mind. We think a program carefully designed to protect your money will go a long way toward alleviating the worries. If you have any questions about your FDIC coverage or the CDARS program, please do not hesitate to contact us.

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