ICBA News Release

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FOR IMMEDIATE RELEASE

ICBA Debunks Deposit Insurance Myths

Washington, D.C. (July 17, 2008)—The Independent Community Bankers of America (ICBA) is challenging unfounded concerns raised about the safety of bank deposits. Federal deposit insurance guarantees your deposits are safe in every financial institution insured by the Federal Deposit Insurance Corporation, including community banks. Don't believe the hype. Get the facts.

Myth: Your money is safer in big banks.
Fact: No one has ever lost a penny of FDIC-insured deposits held in community banks. The FDIC insures deposits up to $100,000 per depositor and $250,000 for certain retirement accounts. If you have more than $100,000 at a community bank, you can still be fully insured if your accounts meet certain requirements. For example, accounts owned by a single person are separately insured from joint accounts or retirement accounts owned by that person. The FDIC's Electronic Deposit Insurance Estimator (on the Web at http://www.fdic.gov/edie) can determine your coverage.

Community banks focus on the needs of local families, businesses and farmers, and their top executives are generally available on site to answer your questions directly and make timely decisions. Many of the nation's largest banks are structured to serve large corporations and have CEOs headquartered in office suites, not local banks.

Myth: Your money is stored in a vault at the bank.
Fact: Community bank deposits are reinvested in your local economy. Your money on deposit will be used to make loans in the community that help your neighbors start a nearby business, purchase a home, or send a son or daughter to college. Continuing to hold deposits in community banks ensures the neighborhoods where you live and work will continue to grow and thrive.

Myth: Community banks are undercapitalized.
Fact: The vast majority of our nation's banks, especially community banks, are strong, safe and stable. Community bankers are common sense lenders that don't engage in high-risk activities. Instead, they stick to the longstanding fundamentals of responsible banking, and always seek to serve the long-term interests of their customers and communities.

Myth: The FDIC takeover of IndyMac Bancorp means my bank is at risk.
Fact: IndyMac Bancorp was taken over because, in part, depositors became fearful and attempted to close their accounts at once, destabilizing the bank. The overwhelming majority of the nation's banks are safe and well capitalized. As stated by FDIC Chairman Sheila Bair, IndyMac is only one of nearly 8,500 depository institutions operating in the United States and represents just 0.2 percent of banking-industry assets. There is little chance your bank will be taken over by the FDIC. And if that does happen, you will continue to have virtually uninterrupted access to your insured deposits.

Myth: Community banks are involved in problems with subprime mortgage lending.
Fact: Community banks are common-sense lenders that have avoided subprime lending.
There is no mortgage-lending crisis for community banks because they are well-run, highly capitalized, tightly regulated and more risk-averse than big banks. Community banks have money to lend homeowners for new purchases and to refinance existing mortgages. In spite of talk of a credit crunch, community banks are open for business.