

Transaction Account Guarantee Program FAQs

To give you, our valued customers, peace of mind that your money is safe & secure, First Federal Savings Bank is pleased to announce our participation in the FDIC Transaction Account Guarantee (TAG) Program. While First Federal Savings Bank remains very well capitalized, the decision to participate in the FDIC TAG Program was based on the value this program provides to our customers.

- **What is the Transaction Account Guarantee (TAG) Program?**
- **What are non-interest bearing deposit transaction accounts?**
- **How long will the additional FDIC coverage last?**
- **How does the TAG Program affect my FDIC insurance coverage on other types of accounts?**

What is the Transaction Account Guarantee (TAG) Program?

The TAG Program guarantees full deposit insurance coverage of non-interest bearing deposit transaction accounts, regardless of the dollar amount. All FDIC insured institutions were automatically enrolled for a 30 day period. First Federal Savings Bank is pleased to announce that we will continue our participation in this program through December 31, 2009.

For more information on the TAG Program, please visit the FDIC website at www.fdic.gov.

What are non-interest bearing deposit transaction accounts?

Non-interest bearing deposit transaction accounts are any demand deposit accounts, such as personal or business checking accounts, that do not earn interest. There are a couple of exceptions to the non-interest-bearing/non-interest bearing rule:

- **IOLTA accounts (Interest on Lawyers Trust Account):** These are accounts that ARE interest bearing that are maintained by Lawyers for their clients, but the interest is not given to the attorneys, but to the PA State Bar Association. This money is then used to provide legal services for low income individuals. In this sense, the account is considered a non-interest bearing account.
- **NOW accounts (Interest Checking Accounts)** that maintain an interest rate of no greater than 0.50% will also be an exception to the rule and will be completely covered by FDIC insurance.
- **Money Market Demand Account/Performance Plus Money Market Demand Account** since they are a limited transaction account, these accounts fall under the category of Savings Accounts. These accounts will be insured like all other Savings Accounts.

How long will the additional FDIC coverage last?

The TAG Program guarantees full deposit coverage of non-interest bearing transaction accounts, regardless of the dollar amount and is in addition to the standard FDIC insurance that was temporarily increased to \$250,000.00 per depositor. **The temporary increase of the FDIC insurance limit to \$250,000.00 will be in effect through December 31, 2013.**

How does the Transaction Account Guarantee Program affect my insurance coverage on other types of accounts?

The FDIC coverage on non-interest bearing deposit transaction (checking) accounts is over and above the current FDIC coverage of \$250,000.00 per depositor.

Example:

If you have \$50,000.00 in a non-interest bearing checking account and \$250,000.00 in a certificate of deposit (CD) at First Federal Savings Bank, the FDIC will insure the entire \$300,000.00.