

OFFICE OF THE NEW YORK STATE COMPTROLLER



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To: Chief Fiscal Officers

From: Division of Local Government and School Accountability

Subject: Changes in FDIC Deposit Insurance Coverage for Noninterest-Bearing Transaction Accounts

Please share this document with others who would benefit from this information.

The temporary unlimited insurance coverage for noninterest-bearing transaction accounts provided under the Dodd-Frank Wall Street Reform and Consumer Protection Act expired on December 31, 2012. Therefore, after December 31, 2012, deposits held in noninterest-bearing transaction accounts are aggregated with other demand accounts (e.g., "traditional" noninterest-bearing checking accounts) and will be insured by the FDIC only up to the \$250,000 limit per custodian per insured bank. Deposits that exceed the \$250,000 FDIC coverage must be secured in accordance with statutory requirements.¹

Local government officials should refer to the Local Government Management Guide entitled [*Investing and Protecting Public Funds*](#) and the November 2012 Accounting Bulletin entitled [*Deposit Placement Programs*](#) for guidance on securing deposits and investments in excess of FDIC coverage.

If you have questions pertaining to this bulletin, please contact the State Comptroller's regional office that serves your local government. Legal questions can be directed to OSC's Legal Division at 518-474-5586.

¹ See General Municipal Law § 10(3).