# Independent Regulatory Commissions Assignment

Student Name: [Insert Name Here]

Date: [Insert Date Here]

Course: GOVT-041

## Purpose of the Federal Deposit Insurance Corporation (FDIC)

The Federal Deposit Insurance Corporation (FDIC) was created in 1933 during the Great Depression to restore trust in the American banking system. According to the FDIC’s website, its main purpose is to protect depositors by providing insurance coverage for deposits at member banks. This protection helps to maintain stability and public confidence in the nation’s financial system by assuring individuals that their money is safe even if a bank fails.

## Example of Action Taken: Insuring Bank Deposits

One major action taken by the FDIC to fulfill its purpose is providing deposit insurance up to $250,000 per depositor, per insured bank. According to the FDIC’s website, this guarantee means that even if a bank goes bankrupt, individuals will not lose their insured deposits. This policy has greatly contributed to reducing the number of bank runs and promoting consumer confidence in the banking system.

## Example of Action Taken: Supervising Financial Institutions

Another significant role the FDIC plays is supervising financial institutions to ensure they operate safely and soundly. For example, the FDIC conducts regular examinations of banks to check their financial health and compliance with consumer protection laws. According to news articles and FDIC reports, when a bank is found to be in trouble, the FDIC steps in early to correct issues before they result in bank failures, thereby protecting both the public and the overall economy.

## Position: Should the FDIC Continue to Exist?

I strongly believe the FDIC should continue to exist because it plays a crucial role in maintaining public trust in the banking system. Without the FDIC, people might panic and withdraw all their money at the first sign of trouble, which could trigger widespread bank failures and economic collapse. The FDIC’s deposit insurance and regulatory efforts have provided decades of financial stability and protection for everyday citizens. Therefore, it clearly serves the public’s best interests.