

## WHAT IS INSURED BY THE FDIC?

**All types of deposits held by NorthEast Community Bank (NECB) are covered by FDIC insurance including:**

- NOW Accounts
- Savings Accounts
- Money Market Accounts
- Certificates of Deposit
- Individual Retirement Accounts
- Holiday Club Accounts
- Outstanding Cashier's Checks, Money Orders, and Interest Checks issued by NorthEast Community Bank

## WHAT AMOUNT OF INSURANCE COVERAGE DO I HAVE FOR MY ACCOUNTS?

### **BASIC INSURANCE**

Basic FDIC Insurance is \$250,000 per depositor, per insured financial institution.

### **COVERAGE OVER BASIC INSURANCE**

The FDIC provides separate insurance coverage for deposit accounts held in different categories of ownership. It is possible to qualify for more than the current \$250,000 in coverage at one insured bank if you own deposit accounts in different ownership categories. The ownership categories are (1) single; (2) joint; (3) revocable trust (informal revocable trusts such as "Payable-on-death" accounts and formal revocable trusts such as living/family trusts created for estate planning purposes); (4) irrevocable trusts; (5) certain retirement plans; (6) employee benefit plans; (7) business (corporation, partnership, unincorporated associations); and (8) government.

To calculate your FDIC insurance coverage, please visit <http://www.fdic.gov/edie/> (Please add a pop up about leaving the banks website)

### **TEMPORARY FDIC INSURANCE COVERAGE FOR TRANSACTION ACCOUNTS**

All funds in a "noninterest-bearing transaction account" are insured in full by the Federal Deposit Insurance Corporation from December 31, 2010, through December 31, 2012. This temporary unlimited coverage is in addition to, and separate from, the coverage of at least \$250,000 available to depositors under the FDIC's general deposit insurance rules.

The term "noninterest-bearing transaction account" includes a traditional checking account or demand deposit account on which the insured depository institution pays no interest. It does not include other accounts, such as traditional checking or demand deposit accounts that may earn interest, NOW accounts, money-market deposit accounts, and Interest on Lawyers Trust Accounts ("IOLTAs").

### **COVERAGE DURING A MERGER**

If two federally insured banks merge causing your deposits to exceed the \$250,000 limit at the combined institution, under the FDIC's rules you are in no immediate risk of having funds over the insurance limit. In general, the deposit accounts you had at the acquired institution will continue to be separately insured for six months following the merger and longer in the case of some Time Accounts (CDs). This six-month grace period allows you time to restructure your accounts so you can maximize your coverage at the new institution.

### **WHAT IS NOT INSURED BY THE FDIC?**

Investment accounts offered by NECB's Wealth Management Division, Hayden Wealth Management, do not qualify as deposits and are therefore not covered by FDIC insurance. Examples of non-deposit investment products that are not covered by FDIC deposit insurance include:

- Investments in mutual funds
- U.S. Treasury bills, notes, and bonds purchased through an insured institution
- Annuities
- Stocks, bonds, or other securities
- Cash in trading accounts
- Contents of a Safe Deposit Box (see below)

If you own NorthEast Community Bancorp stock, please be advised that investment products are not protected or insured by the FDIC or any other federal government agency. Stocks may lose value and are not a deposit of, or guaranteed by, the Bank or any Bank subsidiary.

The contents of safe deposit boxes are not insured by the FDIC. If you are concerned about the safety or replacement of items you have put in a safe deposit box, you may wish to consider purchasing fire and theft insurance. Separate insurance for these perils may be available; consult your insurance agent. Usually such insurance is part of a homeowner's or tenant's insurance policy for a residence and its contents. Again, consult your insurance agent for more information. In the event of a bank failure, in most cases an acquiring institution would take over the failed bank's offices, including locations with safe deposit boxes. If no acquirer can be found, the FDIC would send box holders instructions for removing the contents of their boxes.

#### **WHERE CAN I GO IF I STILL HAVE QUESTIONS?**

If you still have questions, please contact the FDIC toll-free at 1-877-ASK-FDIC (877-275-3342) from 8:00 am until 8:00 pm (Eastern Time) or contact them online at [www.fdic.gov](http://www.fdic.gov).

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