



October 20, 2025

Jennifer M. Jones
Deputy Executive Secretary
Attention: Comments—RIN 3064-AG14
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Re: FDIC Official Signs, Advertisement of Membership, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo; Document No. 2025-16056; RIN 3064-AG14; 90 Fed. Reg. 40767 (Aug. 21, 2025)

Dear Ladies and Gentlemen:

Better Markets¹ appreciates the opportunity to comment on a proposed rule (“Proposal”) from the Federal Deposit Insurance Corporation (“FDIC” or “Agency”) that would change banks’ signage requirements to clearly communicate FDIC Deposit Insurance protection for consumers.²

In 2023, the FDIC finalized new regulations governing the use of the FDIC sign and made critical updates to clarify protections for consumers in response to increased use of digital and mobile banking delivery channels.³ Better Markets applauded the new rule and detailed how the changes were especially necessary given the increasingly common attempts by the crypto industry to mislead consumers into believing that crypto investments are insured.⁴

¹ Better Markets is a non-profit, non-partisan, and independent organization founded in the wake of the 2008 financial crisis to promote the public interest in the financial markets, support the financial reform of Wall Street, and make our financial system work for all Americans again. Better Markets works with allies—including many in finance—to promote pro-market, pro-business, and pro-growth policies that help build a stronger, safer financial system that protects and promotes Americans’ jobs, savings, retirements, and more.

² FDIC Official Signs, Advertisement of Membership, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo, 90 Fed. Reg. 40767 (Aug. 21, 2025), <https://www.federalregister.gov/documents/2025/08/21/2025-16056/fdic-official-signs-advertisement-of-membership-false-advertising-misrepresentation-of-insured>.

³ See, e.g., Federal Deposit Insurance Corporation, Press Release, *FDIC Finalizes Rule to Modernize Official Signs and Advertising Statement Requirements for Insured Depository Institutions* (Dec. 20, 2023), <https://www.fdic.gov/news/press-releases/2023/pr23110.html>; FDIC Official Signs and Advertising Requirements, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo, 89 Fed. Reg. 3504 (Jan. 18, 2024), <https://www.federalregister.gov/documents/2024/01/18/2023-28629/fdic-official-signs-and-advertising-requirements-false-advertising-misrepresentation-of-insured>.

⁴ Press Release, Better Markets, *FDIC Rule Clamps Down on Crypto’s Misleading and False Insurance Suggestions, Protecting Consumers and Banks* (Dec. 20, 2023), <https://bettermarkets.org/newsroom/fdic-rule-clamps-down-on-cryptos-misleading-and-false-insurance-suggestions-protecting-consumers-and-banks/>.

The 2023 rule was set to be finalized on April 1, 2024, and compliance by banks was required by January 1, 2025.⁵ This was already a long time to continue to subject consumers to unclear information about whether their deposits are protected by FDIC deposit insurance, promising ongoing harm up until the overly generous compliance deadline. However, the situation worsened after vigorous resistance from the banking industry. Banks claimed that the requirements in the rule were too burdensome, complex, and confusing. As a result, the compliance date for the 2023 rule was pushed back, not once but twice—first to May 1, 2025,⁶ and second to March 1, 2026,⁷ both under the guise of allowing banks more time to make the technological changes that were needed to comply with the new rule.

Banks claim that compliance with this rule is incredibly complicated,⁸ but that is an absurd and shameful exaggeration, especially when one considers that banks operate complex websites that manage countless financial transactions every day. To be clear, this rule only relates to a small slice of that larger operation. Clearly labeling the financial products, such as savings accounts, in which consumers' money is protected by FDIC deposit insurance and the other products in which money is not protected, is not a complicated process, and it should never have required more than two years to implement.

The resulting delays and the lack of clear signage have caused and continue to cause enormous harm to consumers. That harm is in the form of millions of dollars of lost savings when consumers do not understand when their money is protected, and more importantly, when it is not. Take, for example, what happened with the now-bankrupt fintech Synapse—just one company at which customers believed their money was protected.⁹ Customers are still missing \$60 million to \$90 million from this debacle alone.¹⁰ However, the real cost here is unquantifiable but immeasurably important: the faith, trust, and confidence of literally hundreds of millions of

⁵ FDIC Official Signs and Advertising Requirements, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo, *supra* note 3, at 3504.

⁶ FDIC Official Signs and Advertising Requirements, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo, 89 Fed. Reg. 84261 (Oct. 22, 2024), <https://www.federalregister.gov/documents/2024/10/22/2024-24433/fdic-official-signs-and-advertising-requirements-false-advertising-misrepresentation-of-insured>.

⁷ FDIC Official Signs and Advertising Requirements, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo, 90 Fed. Reg. 11659 (Mar. 11, 2025), <https://www.federalregister.gov/documents/2025/03/11/2025-03790/fdic-official-signs-and-advertising-requirements-false-advertising-misrepresentation-of-insured>.

⁸ FDIC Official Signs, Advertisement of Membership, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo, *supra* note 2, at 40768.

⁹ *See, e.g.*, Hugh Son, *Fintech Nightmare: 'I Have Nearly \$38,000 Tied Up' After Synapse Bankruptcy*, CNBC (May 23, 2024), <https://www.nbcnewyork.com/news/business/money-report/fintech-nightmare-i-have-nearly-38000-tied-up-after-synapse-bankruptcy/5437631/>.

¹⁰ *See, e.g.*, Rajashree Chakravarty, *CFPB moves to hold Synapse accountable for missing customer funds*, BANKINGDIVE (Aug. 11, 2025), <https://www.bankingdive.com/news/cfpb-hold-synapse-accountable-missing-customer-funds-90-million-mcwilliams/757330/>.

Americans who today have 100% confidence in the FDIC and the guarantee of “FDIC insured.” Undermining that gold standard—nearly 100 years in the making—is the real loss. And this affects not just the FDIC but all Americans who will pay the price for the FDIC failing to fulfill its most important mission: protecting customers and depositors.

OVERVIEW OF COMMENTS

While the Proposal makes some useful improvements to the prior rules, it also leaves far too many loopholes that will continue to endanger consumers and enable them to be tricked and defrauded into thinking their money will be protected by FDIC insurance when it will actually not be protected.

- Most importantly, the Proposal would make signs of FDIC insurance less visible where they are needed most—when consumers are interacting with their bank—and increase the likelihood that consumers will be confused or misled about FDIC insurance for their money. Specifically:
 - The Proposal would give banks control over the appearance of the FDIC sign, dangerously prioritizing banks’ marketing goals and website design over clarity for consumers, instead of requiring a standard appearance.¹¹
 - The Proposal would require the use of the FDIC sign only in a few places on banks’ websites, rather than on every page where customers transact with deposits.¹²
 - The Proposal would require the use of the FDIC sign only on the initial screen of an automated teller machine (“ATM”), rather than on each screen, leaving consumers vulnerable as they continue through and complete a transaction.¹³
- The Proposal rightly recognizes the increasingly dangerous threat that uninsured fintech and crypto companies pose to Americans seeking a safe place for their money, but it falls far short of what is needed to protect customers. The proposed rule provides that banks would be required to display a notification for customers accessing third-party non-deposit products provided by or associated with the bank to explain that these products are not covered by FDIC deposit insurance and may lose value.¹⁴ However, the message for

¹¹ FDIC Official Signs, Advertisement of Membership, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo, *supra* note 2, at 40768-69.

¹² *Id.* at 40769.

¹³ *Id.* at 40770-71.

¹⁴ *Id.* at 40770.

uninsured products would only be displayed once and would be in a format that customers could easily dismiss and ignore. This is simply insufficient for a known risk.¹⁵

The bottom line is that, rather than protecting depositors, banks, and its own reputation, with this Proposal, the FDIC is green-lighting scammers and fraudsters by failing to hold banks accountable for implementing the most basic and necessary consumer protection rules. The Proposal stacks the deck ***against consumers*** with changes that will incentivize scammers to take advantage of unsuspecting depositors.

That is simply wrong. All Americans deserve to trust the gold standard and promise of the FDIC to protect their money. And that is why we urge the FDIC to make the necessary changes detailed in this letter to its Proposal before finalizing it.

Additionally, we recommend that the FDIC accelerate the implementation of this Proposal to a date no later than six months after finalization of the rule. The current implementation of the Proposal is set for January 1, 2027,¹⁶ more than four years after the original rule changes were finalized in December 2023.¹⁷ Every day that appropriate consumer protections are missing opens American families up to additional risk of loss of their savings. For comparison, the U.S. Treasury recently announced and fully implemented a plan to stop all paper checks to and from the federal government and transition these payments to electronic form ***in six months***.¹⁸ Expecting banks to make changes to their digital displays and signage—a far less complicated task than changing payment systems—in a similar time is completely reasonable, especially when the protection of all American consumers and families is on the line.

BACKGROUND

The FDIC is one of the most important federal agencies, created to protect all Americans by maintaining the stability of, and public confidence in, the banking system. One of the key tools that the FDIC uses to fulfill this mission is clear and conspicuous signage that communicates to depositors whether the FDIC's guarantee will protect their money.

However, the banking industry has changed significantly in the nearly 100 years since the FDIC was established. No longer is it the case that customers exclusively interact with their bank

¹⁵ See, e.g., Shayna Olesiuk, *Bank-Fintech Partnerships Hold Promise but Banking Agencies Must Do More to Protect the Public*, BETTER MARKETS (Oct. 30, 2024), https://bettermarkets.org/wp-content/uploads/2024/10/Better_Markets_Fact_Sheet_Fintech_Bank_Partnerships-10.30.24.pdf.

¹⁶ FDIC Official Signs, Advertisement of Membership, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo, *supra* note 2, at 40771.

¹⁷ Federal Deposit Insurance Corporation, Press Release, *supra* note 3.

¹⁸ See, e.g., Press Release, U.S. Department of the Treasury, *Treasury Announces Federal Government Will Phase Out Paper Checks on September 30th* (Aug. 14, 2025), <https://home.treasury.gov/news/press-releases/sb0223>; Modernizing Payments To and From America's Bank Account, 90 Fed. Reg. 14001 (Mar. 28, 2025), <https://www.federalregister.gov/documents/2025/03/28/2025-05522/modernizing-payments-to-and-from-americas-bank-account>.

by visiting a physical branch, where it is simple to display the well-known FDIC sign. Now, customers interact with their banks online, through mobile devices and websites, and at ATMs. Customers also increasingly encounter other financial companies, including fintechs, that partner with banks to offer products and services resembling traditional bank deposits. The nuances and specific details of these arrangements are murky and confusing, creating challenges for everyday Americans. The FDIC rightly recognized these challenges with its 2023 rule, stating:

The FDIC's long-standing sign rules also ***do not reflect the digital banking services now offered, such as online banking and mobile banking***. For example, digital banking channels enable banks to receive customer deposits through remote deposit capture. For consumers that use these channels to make deposits, [a bank's] ATM, website, or mobile application effectively serves as a digital teller window. . . . ***Given that nearly two-thirds of banked households primarily access banking products through phones, computers, and other devices, the FDIC believes it is critical to update its rules and provide consistent sign requirements for digital channels.*** . . .

In many instances, IDIs offer both deposits and non-deposit products to consumers. For example, IDIs might allow depositors in their branches to consult with an investment adviser and purchase securities or mutual funds. Options to purchase non-deposit products are continuing to evolve, with some IDIs offering ATM or digital banking customers the ability to purchase crypto-assets with their funds. In some cases, an IDI may provide its customers who initially access the IDI's website, ATM, or banking application the ability to purchase non-deposit products from a third party. ***Absent adequate signs or disclosures, simultaneous offering of both insured deposits and non-deposit products may lead bank customers (who are aware that the IDI is insured by the FDIC) to mistakenly conclude that all of the financial products being offered through their bank's website or application are FDIC-insured.***

Growth in the number of fintech companies has also blurred the distinction between IDIs and non-banks in the eyes of many consumers, increasing the potential for confusion regarding deposit insurance coverage. . . . ***The substantial increase in the number and types of arrangements and the various representations that companies are making regarding deposit insurance coverage may confuse many consumers. . . . inadequate disclosures may result in consumers not understanding whether they are dealing with an IDI, and whether their funds are insured by the FDIC.***¹⁹

In summary, while the evolution of products and services that banks offer to customers, along with changes in banks' delivery of those products, has led to many benefits for consumers, it has also resulted in significant complications and misunderstandings about deposit insurance

¹⁹ FDIC Official Signs and Advertising Requirements, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo, *supra* note 3, at 3505-06 (emphasis added).

protection. As noted earlier with the Synapse bankruptcy, these can be extraordinarily costly and harmful to consumers. Changes to modernize and update the FDIC's rules on signage to clearly communicate deposit insurance protection to customers are vital. Finally, given the pace of change and innovation in the banking industry, there is no time to waste; the changes should be implemented as soon as practicable.

SUMMARY OF THE PROPOSAL

The Proposal includes several changes in the requirements for FDIC signs, including:

- FDIC sign appearance: Banks would have flexibility for things such as the color, font, and size of the FDIC sign.
- Usage of the FDIC sign online: Banks would only be required to display the FDIC sign in specific places—the homepage, account login page, and customer deposit screens.
- Usage of the FDIC sign at ATMs: Banks would only be required to display the FDIC sign on the initial screen of an ATM or similar device, at the point when a customer inserts a debit card or credentials.
- Usage of the FDIC sign for third-party and non-deposit products: Banks would be required to display a notification for customers accessing third-party non-deposit products provided by or associated with the bank to explain that these products are not covered by FDIC deposit insurance and may lose value.²⁰

Banks would be required to comply with the new requirements in this Proposal by January 1, 2027.²¹

COMMENTS

We applaud the FDIC for recognizing the innovation and transformations that are taking place in the banking system, which require changes to the FDIC signage requirements. Unfortunately, several parts of the Proposal do not go far enough to effectively protect consumers. The FDIC has overweighed the costs of the proposed changes to the banking industry and failed to adequately consider the benefits to consumers. In other words, the Proposal would make signs of FDIC insurance less visible where they are needed most—when consumers are interacting with their bank—and increase the likelihood that consumers will be confused or misled about FDIC insurance for their money. We urge the FDIC to change the Proposal to remedy these problems before finalizing it.

²⁰ FDIC Official Signs, Advertisement of Membership, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo, *supra* note 2, at 40768-71.

²¹ *Id.* at 40771.

Our specific comments include:

1. The FDIC sign appearance should be standardized.

One of the key reasons that the FDIC sign is so effective is that it is recognizable by Americans across the country. In its 2023 decision, the FDIC emphasized this fact:

Since the 1930s, the ***black and gold FDIC official sign*** . . . displayed at bank branch teller windows has given bank customers confidence that their deposited funds are safe.²²

The 2023 decision also introduced ***one standard look*** for the FDIC sign that banks would be required to use on digital platforms.²³

The Proposal contains substantial and dangerous departures from that standard approach. It would give banks flexibility to choose varied colors and sizes for the FDIC sign, particularly for online and mobile platforms.²⁴ This decision is wrongly prioritizing banks' marketing and design ahead of consumer protection and should be reconsidered. There is no need for the FDIC sign to be altered during holidays, to represent special interests, or to coordinate with a bank's brand colors or design.

Simply put, the FDIC should, first and foremost, prioritize the standard, consistent look and feel for the sign, as it has for decades. The Proposal falls short of this because it gives banks control of aspects such as color, font, and size of the FDIC sign. While the FDIC does set the expectation that the sign be displayed in a "clear and conspicuous manner," this leaves too much room for individual bank decisions made to maximize the design and marketing of online platforms rather than protecting consumers.

Importantly, the Proposal identifies the need to adapt to accessibility features of websites and mobile devices, such as "dark mode." In dark mode, the black or dark blue FDIC sign would not be clear and conspicuous, so additional standards are necessary. Moreover, setting size requirements that are relative to the size of a screen instead of specific pixels may be helpful to adapt to different-sized screens on mobile phones, tablets, and computers. The bottom line is that the FDIC needs to go further than it has in the Proposal to ensure that consumers will continue to be protected with a standard, recognizable sign rather than be confused by banks' marketing decisions, or worse, intentionally misled to believe that non-deposit banking products are insured by the FDIC when they are actually not.

²² Federal Deposit Insurance Corporation, Press Release, *supra* note 3 (emphasis added).

²³ *Id.*

²⁴ FDIC Official Signs, Advertisement of Membership, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo, *supra* note 2, at 40768-69.

2. The FDIC sign should appear in all places where customers interact with a bank to make deposits, including physical branches, digital venues such as websites or mobile devices, and ATMs.

As it stands now, the FDIC makes dangerous concessions to banks with respect to where the FDIC sign appears on digital screens to lessen the burden on banks, and at the risk of harming consumers. This is even more vital as the banking agencies encourage the adoption of stablecoins, particularly in light of the enactment of the GENIUS Act. Confusion over insured and uninsured deposits at banks is likely to increase, heightening the need to clearly distinguish between products at the time of deposit.

As detailed in the Proposal, banks have raised concerns about the difficulty they claim to have in distinguishing between products that are or are not protected by FDIC deposit insurance because these products are often intermingled on a digital display, such as a website.²⁵ The Proposal suggests remedying this by only requiring that the FDIC sign be displayed at the time of account opening.²⁶ We agree that it is vital to display the sign at the time of account opening, but it is insufficient to make this the only time the sign is displayed. It would not be uncommon for a significant amount of time to pass between when an account is opened and when customers make additional deposits, so it is unacceptable to put the burden of recalling whether or not an account is protected by deposit insurance on the customer when they make subsequent deposits.. Instead, banks should be accountable for displaying the sign when any deposit is made. Moreover, it is reasonable to hold banks accountable for clearly separating insured and uninsured banking products on digital screens. Allowing these to be mixed on a digital display only opens the door to consumer harm and fraud.

3. Notices for products that are *not* FDIC insured should be constantly visible on digital and ATM screens.

One of the most dangerous aspects of the Proposal is the insufficient requirements for customer notifications about banking products that are *not protected* by FDIC deposit insurance. The Proposal states that third parties and bank affiliates that offer non-deposit products through banks' digital deposit-taking channels would only be required to display a one-time notice to explain to customers that the product is not protected by FDIC insurance.²⁷ This one-time message could be easily dismissed by the customer, or the bank could program it to automatically disappear after three seconds.²⁸

This is entirely unacceptable. A message that can be easily dismissed or that disappears automatically after a few seconds leaves consumers wholly vulnerable to confusion, or even worse, fraud. ***Simply put, a notification of products that are not covered by FDIC insurance should be***

²⁵ *Id.* at 40769-70.

²⁶ *Id.* at 40769.

²⁷ *Id.* at 40770.

²⁸ *Id.*

just as clear and conspicuous as the sign indicating that a product is protected. Consumers should not be expected to read and understand a message that is vital to the protection of their savings in just three seconds or have it only available in a form that can be easily dismissed.

4. The compliance date for a final rule should be moved to six months after the rule is finalized.

As mentioned earlier in this letter, the compliance date set for this rule in the Proposal is January 1, 2027.²⁹ This is unnecessarily far into the future, and it risks additional consumer harm. Every day in which FDIC signage is missing or unclear puts American families' financial futures at risk. The initial rule that was approved in 2023 required full compliance by January 1, 2025,³⁰ so consumer protection in this area is already far overdue.

Moreover, as detailed earlier in this letter, federal agencies and banks have recently shown that they can move quickly on process changes that are far less complex than adjusting signage. For example, all physical checks to and from the government were eliminated and replaced with electronic payments in a mere six months.³¹ If such a substantial change can be made in that amount of time, changes to enhance consumer protections should be completed just as quickly.

Finally, we see that the FDIC has provided extensive analysis and detail about the cost savings that the dangerous reductions in signage will yield for banks.³² For consumers, it identifies the benefit of a “more streamlined and clutter-free browsing experience.”³³ However, the FDIC admits that this is ***not based on any data***:

The FDIC ***does not have the data*** available to quantify these effects but believes the proposed rule would provide substantial benefits to consumers of IDI's digital channels.³⁴

Importantly, this one-sided approach favors the banks and ignores the enormous cost to consumers who are misled or confused by unclear or missing deposit insurance signage. As noted earlier, customers are still missing \$60 million to \$90 million from the now-bankrupt fintech Synapse.³⁵ Synapse is ***just one company*** that customers believed would provide FDIC protection for their money, so the actual cost to consumers in aggregate for all misrepresentations of deposit insurance protection is undoubtedly far higher, and well above the estimated \$10 million in cost

²⁹ *Id.* at 40771.

³⁰ FDIC Official Signs and Advertising Requirements, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo, *supra* note 3, at 3504.

³¹ *See, e.g.*, U.S. Department of the Treasury, Press Release, *supra* note 18.

³² FDIC Official Signs, Advertisement of Membership, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo, *supra* note 2, at 40722.

³³ *Id.* at 40771.

³⁴ *Id.* at 40773.

³⁵ *See, e.g.*, Chakravarty, *supra* note 10.

savings for all banks combined that would result from the reduced deposit insurance signage envisioned in the Proposal.³⁶

5. The FDIC should strengthen its rules to address the proliferation of flagrantly misleading representations by fintechs or other nonbanks about deposit insurance.

We understand that this Proposal is limited to only addressing the appearance of FDIC signage, but we cannot ignore the fact that the rules governing fraudulent and misleading misrepresentations of deposit insurance protection are weak and ineffective. As Better Markets has advocated, the FDIC should address this deficiency, along with making needed changes to signage.³⁷

Nonbanks, fintechs, and crypto companies recognize the value of deposit insurance, and many are willing to misrepresent it in relation to their products. This is an enormous threat to American consumers. There have been 23 instances since 2022 in which the FDIC sent advisory letters, demanding that fintechs or other nonbank entities cease and desist from making false and misleading claims about deposit insurance coverage.³⁸ The specific facts and circumstances of each instance differ, but recurring themes include language implying or flatly stating—falsely—that the fintech itself is FDIC insured, that the fintech customer’s funds are protected by the FDIC in the event the fintech fails, or that crypto assets or stocks are protected by FDIC insurance.

A few details about these letters are especially important:

- a. First, the example language quoted in many of the letters, to all appearances, represents ***egregious misrepresentations likely to deceive customers and that could severely harm them financially.***
- b. Second, these advisory letters merely amounted to warnings that if the conduct did not stop, formal action ***could*** follow. As far as we can tell, however, the FDIC has thus far taken ***no formal actions regarding false or misleading deposit insurance representations.***

³⁶ FDIC Official Signs, Advertisement of Membership, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo, *supra* note 2, at 40722.

³⁷ See, e.g., Olesiuk, *supra* note 15; Better Markets, Comment Letter, *Request for Information on Bank-Fintech Arrangements Involving Banking Products and Services Distributed to Consumers and Businesses* (Oct. 30, 2024), <https://bettermarkets.org/wp-content/uploads/2024/10/Better-Markets-Comment-Letter-RFI-Bank-Fintech-Arrangements.pdf>; Better Markets, Comment Letter, *FDIC Official Sign and Advertising Requirements, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo* (Apr. 7, 2023), https://bettermarkets.org/wp-content/uploads/2023/04/Better_Markets_Comment_Letter_FDIC_Official_Sign_Advertising_Requirements.pdf.

³⁸ See, e.g., FEDERAL DEPOSIT INSURANCE CORPORATION, PROHIBITION UNDER SECTION 18 (A)(4) OF THE FEDERAL DEPOSIT INSURANCE (FDI) ACT, <https://www.fdic.gov/federal-deposit-insurance-act/prohibition-under-section-18-a4-federal-deposit-insurance-fdi-act> (last visited Oct. 3, 2025). At this website, the FDIC provides a table with links to 24 letters, two of which are English and Spanish versions of a letter sent to what appears to be the same company—Bodega Importadora de Pallets. Therefore, our best efforts analysis indicates that there have been 23 instances of false statements of deposit insurance by nonbanks.

- c. Third, *we found no indication that the FDIC has held any banks formally accountable for false and misleading statements about deposit insurance made by their fintech partners.* It does not take a legal expert to conclude that such inaction is, at best, an ineffective deterrent, and at worst, an open invitation for more misrepresentation and consumer harm.
- d. Fourth, while the letters are clearly weak deterrents, they are also being issued less frequently. *Only one letter has been issued so far in 2025*, compared to 6 being issued in 2022, 9 being issued in 2023, and 7 being issued in 2024. Given that it is unlikely that the activity precipitating these letters has been eradicated, this pattern shows a dangerous decline by the FDIC during the Trump Administration to identify and stop false claims of deposit insurance by nonbanks.

Importantly, bank-fintech arrangements have enormous potential to reduce the cost and improve the convenience and availability of banking services. These partnerships can especially benefit community banks by enabling them to offer products and services that they might otherwise be unable to provide. However, the FDIC can and should do more to address the risks posed by these partnerships so that they can continue as intended without endangering banks, the public, or financial stability.

CONCLUSION

We hope these comments are helpful to the FDIC in fulfilling its vital mission to protect consumer deposits in banks.

Sincerely,



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