

**Part 330—Clarification and Definition of Deposit Insurance Coverage**

[CFR Tit. 12, c. 3, § 330.1 et seq.]

**REGULATIONS**

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**REGULATIONS**

**Section 330.1—General Principles Applicable in Determining Insurance of Deposit Accounts.—(a) General.** This Part 330 provides for determination by the Corporation of the insured depositors of an insured bank and the amount of their insured deposit accounts. The rules for determining the insurance coverage of deposit accounts maintained by depositors in the same or different rights and capacities in the same insured bank are set forth in the following provisions of this part. Insofar as rules of local law enter into such determinations, the law of the jurisdiction in which the insured bank's principal office is located shall govern.

**(b) Records.** (1) The deposit account records of the insured bank shall be conclusive as to the existence of any relationship pursuant to which the funds in the account are deposited and on which a claim for insurance coverage is founded. Examples would be trustee, agent, custodian or executor. No claim for insurance based on such a relationship will be recognized in the absence of such disclosure.

(2) If the deposit account records of an insured bank disclose the existence of a relationship which may provide a basis for additional insurance, the details of the relationship and the interests of other parties in the account must be ascertainable either from the records of the bank or the records of the depositor maintained in good faith and in the regular course of business.

(3) The deposit account records of an insured bank in connection with a trust account shall disclose the name of both the settlor (grantor) and the trustee of the trust and shall contain an account signature card executed by the trustee.

(4) The interests of the co-owners of a joint deposit account shall be deemed equal, unless otherwise stated on the insured bank's records in the case of a tenancy in common.

(c) Valuation of trust interests. (1) Trust interests in the same trust deposited in the same account will be separately insured if the value of the trust interest is capable of determination, without evaluation of contingencies, except for those covered by the present worth tables and rules of calculation for their use set forth in § 20.2031-7 of the Federal Estate Tax Regulations (26 CFR 20.2031-7).

(2) In connection with any trust in which certain trust interests are not capable of evaluation in accordance with the foregoing rule, payment by the Corporation to the trustee with respect to all such trust interests shall not exceed the basic insured amount of \$20,000.

(3) Each trust interest in any trust established by two or more settlors shall be deemed to be derived from each settlor pro rata to his contribution to the trust.

(4) The term "trust interest" means the interest of a beneficiary in an irrevocable express trust, whether created by trust instrument or statute, but does not include any interest retained by the settlor.

(5) With respect to trust funds held by an insured bank in a fiduciary capacity pursuant to section 7(i) of the Act, the term "trust interest" shall mean the same as the term "trust funds" as used in section 3(p) of the Act. (Last amended 35 Fed. Reg. 460, eff. 12-23-69.)

~~O—~~ [17830.2] § 330.2 Single ownership accounts.—Funds owned by an individual and deposited in the manner set forth below shall be added together and insured up to \$20,000 in the aggregate.

(a) Individual accounts. Funds owned by an individual (or by the community between husband and wife of which the individual is a member) and deposited in one or more deposit accounts in his own name shall be insured up to \$20,000 in the aggregate.

(b) Accounts held by agents or nominees. Funds owned by a principal and deposited in one or more deposit accounts in the name or names of agents or nominees shall be added to any individual deposit accounts of the principal and insured up to \$20,000 in the aggregate.

(c) Accounts held by guardians, custodians, or conservators. Funds held by a guardian, custodian, or conservator for the benefit of his ward or for the benefit of a minor under a Uniform Gifts to Minors Act and deposited in one or more deposit accounts in the name of the guardian, custodian, or conservator shall be added to any individual deposit accounts of the ward or minor and insured up to \$20,000 in the aggregate. (Last amended 35 Fed. Reg. 460, eff. 12-23-69.)

~~O—~~ [17830.3] § 330.3 Testamentary accounts.—(a) Funds owned by an individual and deposited in a revocable trust account, tentative or "Totten" trust account, "payable-on-death" account or similar account evidencing an intention that on his death the funds shall belong to his spouse, child or grandchild shall be insured up to \$20,000 in the aggregate as to each such named beneficiary, separately from any other accounts of the owner.

(b) If the named beneficiary of such an account is other than the owner's spouse, child or grandchild, the funds in such account shall be added to any individual accounts of such owner and insured up to \$20,000 in the aggregate. (Last amended 35 Fed. Reg. 460, eff. 12-23-69.)

**§ 330.4** Accounts held by executors or administrators.—Funds of a decedent held in the name of the decedent or in the name of the executor or administrator of his estate and deposited in one or more deposit accounts shall be insured up to \$20,000 in the aggregate, separately from the individual deposit accounts of the beneficiaries of the estate or of the executor or administrator. (Last amended 35 Fed. Reg. 460, eff. 12-23-69.)

**§ 330.5** Accounts held by a corporation or partnership.—Deposit accounts of a corporation or partnership engaged in any independent activity shall be insured up to \$20,000 in the aggregate. A deposit account of a corporation or partnership not engaged in an independent activity shall be deemed to be owned by the person or persons owning such corporation or comprising such partnership and, for deposit insurance purposes, the interest of each person in such a deposit account shall be added to any other deposit accounts individually owned by such person and insured up to \$20,000 in the aggregate. (Last amended 35 Fed. Reg. 460, eff. 12-23-69.)

**§ 330.6** Accounts held by an unincorporated association.—Deposit accounts of an unincorporated association engaged in any independent activity shall be insured up to \$20,000 in the aggregate. A deposit account of an unincorporated association not engaged in an independent activity shall be deemed to be owned by the persons comprising such association and, for deposit insurance purposes, the interest of each owner in such a deposit account shall be added to any other deposit accounts individually owned by such person and insured up to \$20,000 in the aggregate. (Last amended 35 Fed. Reg. 460, eff. 12-23-69.)

**§ 330.7** Independent activity.—The term "independent activity" means any activity other than one directed solely at increasing insurance coverage.

**§ 330.8** Public unit deposits.—(1) Officers, agents or employees of the same public unit, having by law the official custody of public funds of the unit, deposit the same in an insured bank, each such officer, agent or employee shall be separately insured up to \$20,000 in such custodial capacity. An officer, employee, or agent of a public unit shall be deemed to be insured only up to \$20,000 with respect to all public funds of the same unit held by him, regardless of how many offices he holds in such unit or the purposes for which such funds are held or designated. If the same person is an officer, employee, or agent of more than one public unit, he shall be separately insured up to \$20,000 with respect to the public funds held by him of each such unit.

(b) *Public bond issues.* Where an officer, agent or employee of a public unit has custody of certain funds which by law or under the bond indenture are required to be paid to the holders of bonds issued by the public unit, any deposit of such funds in an insured bank shall be deemed to be a deposit by a trustee of trust funds of which the bondholders are pro rata beneficiaries, and each such beneficial interest shall be separately insured up to \$20,000.

(c) *Political subdivision.* The term "political subdivision" includes any subdivision of a public unit, as defined in section 3(m) of the Federal Deposit Insurance Act, or any principal department of such public unit. (1) the creation of which subdivision or department has been expressly authorized by State statute, (2) to which some functions of government have been delegated by State statute, and (3) to which funds have been allocated by statute or ordinance for its exclusive use and control. It also includes drainage, irrigation, navigation, improvement, levee, sanitary, school or power districts, and bridge or port authorities and other special districts created by State statute or compacts between the States. Excluded from the term are subordinate or nonautonomous divisions, agencies, or boards within principal departments. (Last amended 35 Fed. Reg. 460, eff. 12-23-69.)

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**§ 330.9 Joint accounts.**—(a) *Separate insurance coverage.* Deposits owned jointly, whether as joint tenants with right of survivorship, as tenants by the entireties, as tenants in common, or by husband and wife as community property, shall be insured separately from deposit accounts individually owned by the co-owners.

(b) *Qualifying joint accounts.* A joint deposit account shall be deemed to exist, for purposes of insurance of accounts, only if each co-owner has personally executed a deposit account signature card and possesses withdrawal rights. The restrictions of this paragraph shall not apply to co-owners of a time certificate of deposit or to any deposit obligation evidenced by a negotiable instrument, but such a deposit must in fact be jointly owned.

(c) *Failure to qualify.* A deposit account owned jointly which does not qualify as a joint account for purposes of insurance of accounts shall be treated as owned by the named persons as individuals and the actual ownership interest of each such person in such account shall be added to any other accounts individually owned by such person and insured up to \$20,000 in the aggregate.

(d) *Same combination of individuals.* All joint deposit accounts owned by the same combination of individuals shall first be added together and insured up to \$20,000 in the aggregate.

(e) *Interest of each co-owner.* The interests of each co-owner in all joint deposit accounts owned by different combinations of individuals shall then be added together and insured up to \$20,000 in the aggregate. (Last amended 35 Fed. Reg. 460, eff. 12-23-69.)

**§ 330.10 Trust accounts.**—Deposits deposited in deposit accounts established pursuant to valid trust agreements created by the same settlor (grantor) shall be added together and insured up to \$20,000 in the aggregate, separately from other deposit accounts of the trustee of such trust funds or the settlor or beneficiary of such trust arrangements. (Last amended 35 Fed. Reg. 460, eff. 12-23-69.)

**§ 330.11 Deposits evidenced by negotiable instruments.**—If any insured deposit obligation of a bank be evidenced by a negotiable certificate of deposit, negotiable draft, negotiable cashier's or officer's check, negotiable certified check, or negotiable traveler's check or letter of credit, the owner of such deposit obligation will be recognized for all purposes of claim for insured deposits to the same extent as if his name and interest were disclosed on the records of the bank provided the instrument was in fact negotiated to such owner prior to the date of the closing of the bank. Affirmative proof of such negotiation must be offered in all cases to substantiate the claim.

**§ 330.12 Deposit obligations for payment of items forwarded for collection by bank acting as agent.**—Where a closed bank has become obligated for the payment of items forwarded for collection by a bank acting solely as agent, the owner of such items will be recognized for all purposes of claim for insured deposits to the same extent as if his name and interest were disclosed on the records of the bank when such claim for insured deposits, if otherwise payable, has been established by the execution and delivery of prescribed forms. Such bank forwarding such items for the owners thereof will be recognized as agent for such owners for the purpose of making an assignment of the rights of such owners against the closed insured bank to the Federal Deposit Insurance Corporation and for the purpose of receiving payment on behalf of such owners.

**§ 330.13 Continuation of prior coverage.**—All deposit accounts insured under the rules and interpretations heretofore in effect shall continue to be insured, anything in this part to the contrary notwithstanding, until April 15, 1968.