A few months after January 1934 [Family (3 sisters) goes to speak to President Roosevelt in his office]

**Jeff (Roosevelt)** Come into my office! How may I help you?

**Meredith:**We wanted to talk about the FDIC. How can we know for sure that our money will be protected by this thing?

**Melissa:**What is it anyways?

**Jeff (Roosevelt)** It’s good that you ask. Well, when I signed the Banking Act of 1933, I also put the FDIC into effect which pretty much protects the money you have in the bank; we want you to trust the bank

**Ira:** How can the FDIC ensure that we won’t lose our money?

**Jeff (Roosevelt)** The FDIC stands for Federal Deposit Insurance Corporation. It’s a federal government corporation, and initially, it’s funded with about 300 million dollars in loans from the US Treasury and the Federal Reserve Bank. No matter what, if your bank fails, the FDIC can handle it, you won’t lose your money. It provides about 2,500 dollars in protection.

**Meredith:** But… you’re also trying to **not** get banks to fail again right? So how is the FDIC going to do that?

**Jeff (Roosevelt)** Right. It actually keeps a very close eye on the banks; it regulates them.

**Melissa:**What do you mean by regulates?

**Jeff (Roosevelt)** They monitor the bank’s activities. They make sure the banks are giving out loans to people and following the rules and not putting themselves in a state of potential failure.

**Ira:** So, in terms of outcomes and effects, I’m basically protected in my deposits. does this program mean no bank is going to fail? Ever?

 **Jeff (Roosevelt)** Not exactly, but keeping track of the banks also means that they’re able to make “guesses” of possible failures. Because of this, the FDIC sets aside some money just for these possible failures.

**Meredith:** So we basically just have to worry about finding a bank that’s FDIC ensured?

**Jeff (Roosevelt)** Yes! But you must also consider the insurance limit which is, again, $2,500. All in all, the point is, the government has the FDIC’s back… you just worry about being insured and gaining confidence in our banking system.

**Melissa:** Hey, I do kind of feel better about this now.