

Senate Defeats Extension of TAG

On December 13, 2012, the Senate blocked a vote on a bill that would have extended the Transaction Account Guarantee (TAG) program for another two years. As a result, beginning January 1, 2013, the unlimited deposit insurance coverage for noninterest-bearing transaction accounts, including Interest on Lawyer Trust Accounts, provided under the TAG will revert back to \$250,000.

In anticipation of the expiration of the TAG program, as well as inaction on the part of Congress, on November 5, 2012 the FDIC issued FIL-45-2012 outlining steps depository institutions should take as a result of the December 31, 2012 expiration of the unlimited deposit insurance coverage. We will discuss the recommendations made by the FDIC, and the impact of these developments, at the December Telephone Briefing, which will be held on Friday, December 21, at 12:00 p.m.

BCG members and other clients with specific questions are encouraged to contact the attorneys in our Operations Practice Group. Mark Moore, Keith Forrester and Anne McEvilly may be reached at 949-474-1944.