Assets Linked to non-bank Entities Such as Crypto are not Insured, According to FDIC

The US Federal Deposit Insurance Corporation (FDIC) released a statement saying that it does not insure assets issued by non-bank entities, such as crypto companies. In the statement, the FDIC advised US banks to assess and manage the risks associated with their relationships with crypto companies. According to FDIC, while deposits at insured banks are insured for up to $250,000, this protection does not apply "against default, insolvency or bankruptcy of any non-bank, including crypto custodians, exchanges, brokers, and wallet providers. The FDIC dismissed the claims on deposit insurance coverage, asserting that the claims would confuse consumers about deposit insurance. **Today, we issued an advisory for FDIC-insured financial institutions on FDIC deposit insurance and the risks of dealing with #cryptoassets companies. More ➡ pic.twitter.com/KSAf2nmh9J — FDIC (@FDICgov) July 29, 2022** The statement followed a Thursday letter from the FDIC's enforcement division, in which assistant general counsels Jason Gonzalez and Seth Rosebrock claimed crypto lender Voyager Digital had made "false and misleading" statements

concerning insured deposits. The legal team suggested that the FDIC would not insure Voyager customers or funds deposited against the company's bankruptcy. Source: The Pipsafe Team -Latest Bitcoin news

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