ECHELON BANK
STRONGER TOGETHER

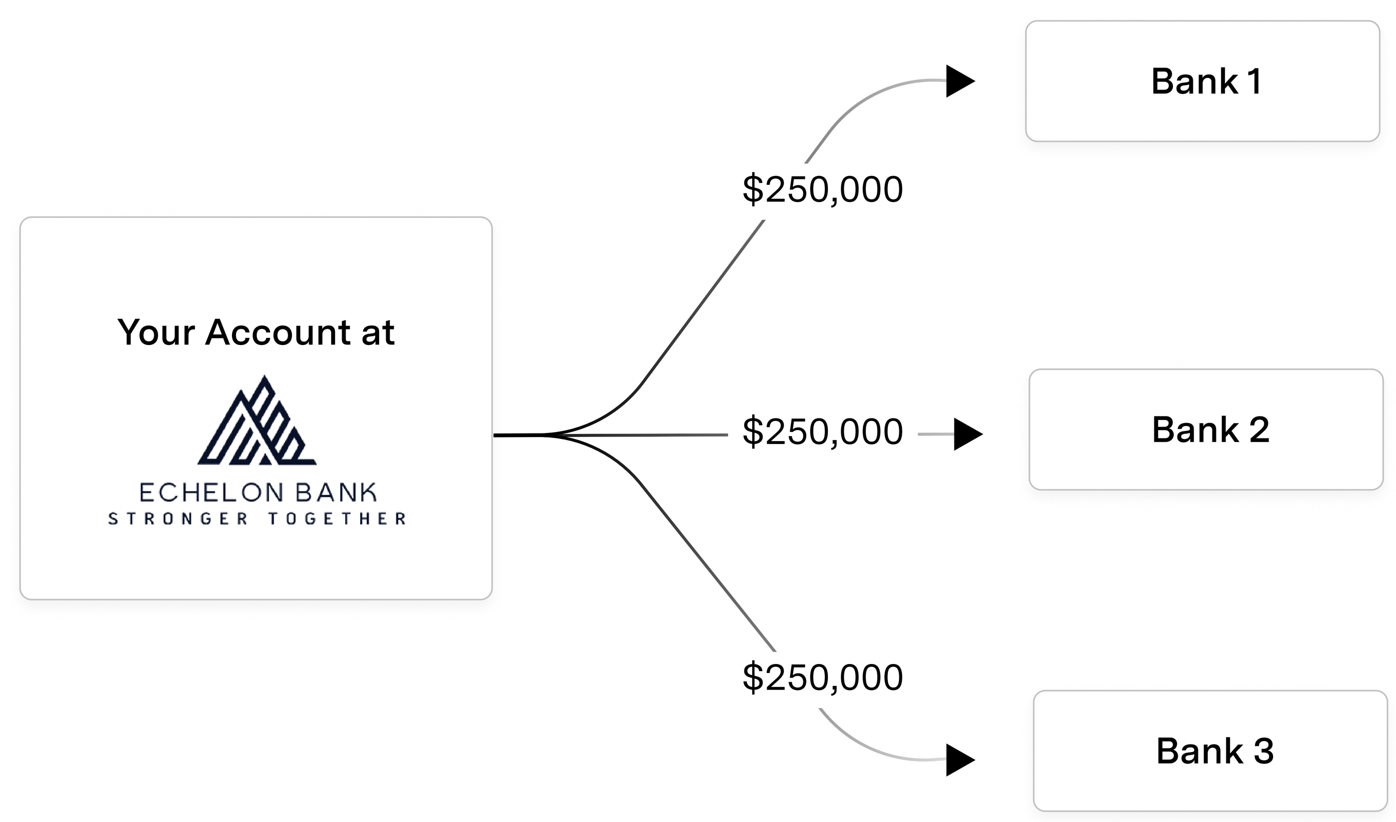
Using your operating account

Echelon Bank offers **Insured Sweep Accounts**, a unique product that offers access to millions in depositor insurance* through banks in the NBID network.

The Insured Sweep Account is designed to not only safeguard your funds with access to insurance, but also to help your money grow through competitive interest rates. With this account, you can maximize your depositor insurance coverage while enjoying flexible access to your funds in demand deposit accounts. In this article, we'll delve into the detailed benefits and mechanics of the Insured Sweep Account.

What is the Insured Sweep Account?

An Insured Sweep Account provides access to millions of insurance on your deposits by distributing your balances in amounts under the $250,000 threshold to partner banks in the ModernFi deposit network. By placing funds under the limit, your entire balance can be eligible for deposit insurance.



What is NBID?

NBID is a bank-owned and bank-managed deposit network that Echelon Bank has joined to help better protect your balances by distributing funds across partner banks to offer access to millions in aggregate deposit insurance*.

How does the Insured Sweep Account work?

Suppose you have $1 million that you want to safeguard and earn interest on. You can achieve this by depositing the full amount with Echelon Bank through an Insured Sweep Account. The money is then split into smaller portions and placed in demand deposit accounts at various banks within the network. The first $250,000 will be allocated to Echelon Bank, another $250,000 to Bank 2, an additional $250,000 to Bank 3, and the remaining $250,000 to Bank 4. All of these banks are members of the NBID Network. This allocation helps ensure that each dollar is eligible for deposit insurance, in an amount up to the maximum of $250,000 per bank.

Using these Insured Sweep Accounts eliminates the need to keep track of multiple accounts at various banks. All of your deposits and activity across your full balance are consolidated into one statement. Additionally, the Insured Sweep Account interest rate is competitive, making it an ideal fit for individuals, businesses, nonprofits, and public funds with substantial cash reserves.

- A list identifying NBID network banks can be found here. ModernFi is not an FDIC-insured bank, and deposit insurance covers the failure of an insured bank. Certain conditions must be satisfied for "pass-through" FDIC deposit insurance coverage to apply.

Who maintains my Insured Sweep Account?

You control the account by simply operating your operating account, which is linked to your Insured Sweep Account. As you spend and save, your deposits will automatically be swept to and from your Insured Sweep Account to ensure you have full access to your funds and full insurance eligibility. Echelon Bank and NBID manage and oversee your allocation, ensuring funds are distributed to maximize insurance eligibility.

How secure is the Insured Sweep Account?

Insured Sweep Accounts offer a high degree of security for your deposits, utilizing insurance to safeguard funds up to $250,000 per depositor at each participating bank*. This protection extends even in the event of a participating bank's failure, ensuring the continued safety of your deposits. Since the inception of the FDIC Deposit Insurance Fund in 1933, no depositor has lost FDIC-insured funds due to a bank's failure. All accounts at FDIC-insured banks are covered on a dollar-for-dollar basis, encompassing principal plus any interest accrued.

In the unlikely event a bank fails, the FDIC assumes the responsibility of closing the bank, receives its assets, and settles all deposit claims. Echelon Bank works with NBID to file all required materials with the FDIC to coordinate the receipt of your funds from the failed institution. Payment starts within a few business days after the bank closure. For more information on FDIC insurance, please visit here.

What qualifies a bank to join the NBID Network?

NBID is a coalition of banks in good standing with regulators and compliant with all Anti-Money Laundering and Know Your Customer requirements. NBID only places deposits at US-based FDIC-insured banks that are monitored by a U.S. federal or state governmental agency responsible for the supervision of financial institutions.

Echelon Bank maintains complete control over the banks that can receive your funds. Furthermore, you and Echelon Bank always have full transparency into the allocation of your funds.

How do I open an Insured Sweep Account?

Opening an Insured Sweep Account is quick and easy with Echelon Bank. Simply contact your relationship manager or visit your nearest branch to open an account and start taking advantage of the benefits offered by the Insured Sweep Account.

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