

FDIC Technical Evaluation Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. What does the FDIC's "Trust Fund" pertain to?**
 - A. A fund that supports banks in expanding their services**
 - B. A fund aimed at covering obligations to insured depositors in case of a bank failure**
 - C. A fund for supporting government contracts in banking**
 - D. A fund that finances bank marketing campaigns**
- 2. Which FDIC regulation is concerned with reducing discriminatory lending practices?**
 - A. Community Reinvestment Act**
 - B. Securities of Nonmember Insured Banks**
 - C. Fair Housing**
 - D. Recordkeeping and Confirmation Requirements for Securities Transactions**
- 3. What is the term length for the Chairperson of the FDIC?**
 - A. 4 years**
 - B. 5 years**
 - C. 6 years**
 - D. 8 years**
- 4. What is the impact of the Dodd-Frank Act on the FDIC?**
 - A. It eliminates the need for bank audits**
 - B. It expands the FDIC's authority and requires stricter regulations**
 - C. It reduces the FDIC's role in bank management**
 - D. It limits the FDIC's ability to insure deposits**
- 5. What major change did the Dodd-Frank Act implement for the FDIC?**
 - A. It removed the FDIC's authority to regulate banks**
 - B. It provided the FDIC with enhanced regulatory powers**
 - C. It limited the FDIC's role in consumer protection laws**
 - D. It consolidated the FDIC with other agencies**

6. Which part of the FDIC regulations addresses fair housing?

- A. Part 337**
- B. Part 338**
- C. Part 339**
- D. Part 340**

7. What does "underbanked" mean in FDIC reports?

- A. Individuals or households with no banking access**
- B. Those relying solely on credit cards for transactions**
- C. Individuals or households with limited access to traditional banking services**
- D. People who frequently switch banks for services**

8. What role does the FDIC play in economic research?

- A. It primarily generates profit for banks**
- B. It conducts research to inform policy decisions**
- C. It audits individual banks on a weekly basis**
- D. It limits banks' participation in economic studies**

9. What is the focus of Part 381?

- A. Former Office of Thrift Supervision Regulations**
- B. Credit Risk Retention**
- C. Orderly Liquidation Authority**
- D. Reserve Requirements of Depository Institutions**

10. What is included in Part 311 of the FDIC regulations?

- A. Rules of Practice and Procedures**
- B. Privacy Act Regulations**
- C. Rules Governing Observation of Meetings**
- D. Appraisals**

Answers

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1. B
2. A
3. B
4. B
5. B
6. B
7. C
8. B
9. A
10. C

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Explanations

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1. What does the FDIC's "Trust Fund" pertain to?

- A. A fund that supports banks in expanding their services**
- B. A fund aimed at covering obligations to insured depositors in case of a bank failure**
- C. A fund for supporting government contracts in banking**
- D. A fund that finances bank marketing campaigns**

The FDIC's "Trust Fund" specifically refers to the fund that is utilized to cover obligations to insured depositors in the event of a bank failure. This fund is crucial in maintaining public confidence in the banking system, as it ensures that individuals who have deposited their money in an insured bank can recover their funds, up to the insured limit, even if the bank becomes insolvent. The Trust Fund is primarily funded by premiums paid by insured banks and thrifts, along with investment earnings.

Understanding the importance of this fund highlights the FDIC's role in fostering a stable banking environment and protecting depositors, thereby mitigating the effects of bank failures on the economy and individual savers. The other options do not accurately reflect the purpose of the FDIC's Trust Fund, emphasizing its unique function in safeguarding depositor interests.

2. Which FDIC regulation is concerned with reducing discriminatory lending practices?

- A. Community Reinvestment Act**
- B. Securities of Nonmember Insured Banks**
- C. Fair Housing**
- D. Recordkeeping and Confirmation Requirements for Securities Transactions**

The Community Reinvestment Act (CRA) is the regulation that specifically focuses on reducing discriminatory lending practices. Enacted in 1977, the CRA encourages banks and savings associations to meet the credit needs of the communities in which they operate, particularly low- and moderate-income neighborhoods. It aims to combat redlining—where banks historically refused to lend in certain areas based on racial or economic factors—by holding financial institutions accountable for their lending practices. The CRA mandates that regulatory agencies assess banks' performance in meeting these community credit needs, providing a framework for evaluating their engagement with diverse populations and promoting fair access to credit. Through this regulation, the CRA not only seeks to ensure equitable lending practices but also fosters community development and economic growth. In contrast, the other options do not directly address lending discrimination. The Fair Housing Act primarily focuses on preventing discriminatory practices in housing and related services, while the regulations regarding securities transactions and nonmember insured banks pertain to financial securities and accounting, not lending practices specifically. Thus, the Community Reinvestment Act is distinctly positioned as the regulation aimed at reducing discriminatory lending practices.

3. What is the term length for the Chairperson of the FDIC?

- A. 4 years
- B. 5 years**
- C. 6 years
- D. 8 years

The term length for the Chairperson of the FDIC is indeed five years. The chairperson is appointed by the President of the United States, and the longer term allows for some degree of continuity and stability in leadership, which is critical for regulatory agencies like the FDIC that oversee and ensure the stability of the banking system. This five-year term also aligns with the terms of the other FDIC board members, which can provide a cohesive approach to policy and regulation during their tenure. Such a time frame is important as regulatory decisions often require consistency and a long-term perspective, particularly in response to economic challenges and banking practices.

4. What is the impact of the Dodd-Frank Act on the FDIC?

- A. It eliminates the need for bank audits
- B. It expands the FDIC's authority and requires stricter regulations**
- C. It reduces the FDIC's role in bank management
- D. It limits the FDIC's ability to insure deposits

The Dodd-Frank Act significantly impacts the FDIC by expanding its authority and instituting stricter regulatory measures designed to enhance the stability and safety of the financial sector. Passed in response to the 2008 financial crisis, the Act aimed to address issues related to systemic risk and consumer protection. One of the key provisions of the Dodd-Frank Act is the establishment of the Volcker Rule, which restricts certain types of speculative investments by banks, thereby helping to prevent excessive risk-taking that could jeopardize the financial system. Additionally, the Act empowers the FDIC with more tools for managing failing banks and handling receiverships, which improves its capacity to address potential bank failures effectively. Furthermore, the Act introduced stricter capital requirements for banks and increased oversight, thereby enhancing the overall regulatory framework that the FDIC operates within. These measures work toward ensuring a more stable banking environment, ultimately benefiting depositors and the financial system as a whole.

5. What major change did the Dodd-Frank Act implement for the FDIC?

- A. It removed the FDIC's authority to regulate banks**
- B. It provided the FDIC with enhanced regulatory powers**
- C. It limited the FDIC's role in consumer protection laws**
- D. It consolidated the FDIC with other agencies**

The Dodd-Frank Act significantly expanded the regulatory framework surrounding financial institutions in response to the 2008 financial crisis, and one of its key impacts was to provide the FDIC with enhanced regulatory powers. This legislation aimed to improve the stability of the financial system and included provisions that allowed the FDIC to better oversee and manage risks within larger and more complex financial institutions. Among various measures, the act enabled the FDIC to implement a process for the orderly liquidation of failing banks and other financial entities, thereby protecting the economy and enhancing consumer confidence in the financial system. By strengthening the FDIC's authority, the Dodd-Frank Act also reinforced its role in promoting financial stability and mitigating systemic risks, ultimately ensuring that the FDIC could effectively carry out its mission of protecting depositors and maintaining confidence in the banking system.

6. Which part of the FDIC regulations addresses fair housing?

- A. Part 337**
- B. Part 338**
- C. Part 339**
- D. Part 340**

The correct response is linked to Part 338 of the FDIC regulations, which pertains directly to fair housing. This section implements the Fair Housing Act, which aims to prevent discrimination in housing practices. It is essential for institutions to adhere to these regulations to promote equal opportunity in housing and to ensure that all individuals have access to housing without facing discrimination based on race, color, religion, sex, national origin, familial status, or disability. Understanding where fair housing regulations are located in the FDIC compliance framework is crucial for financial institutions, as it encompasses their obligations in promoting fair lending practices. It ensures that institutions not only comply with the law but also actively contribute to the promotion of fair housing initiatives within their communities.

7. What does "underbanked" mean in FDIC reports?

- A. Individuals or households with no banking access
- B. Those relying solely on credit cards for transactions
- C. Individuals or households with limited access to traditional banking services**
- D. People who frequently switch banks for services

The term "underbanked" in FDIC reports refers to individuals or households that have limited access to traditional banking services, which is accurately captured by the correct answer. This category includes people who may have bank accounts but also rely on alternative financial services for their banking needs, such as payday loans or check-cashing services. This can arise from various reasons, including geographic obstacles, lack of sufficient funds to maintain a bank account, or distrust of formal banking institutions. The FDIC monitors the underbanked population to understand their financial behaviors and needs to improve access to banking services, which is crucial for promoting financial inclusion. In contrast, the other options do not accurately represent the meaning of "underbanked." Some individuals may have no banking access at all, which defines the "unbanked" population, while those relying exclusively on credit cards do not capture the broader scope of limited banking service access. Lastly, frequently switching banks is not a defining characteristic of being underbanked; rather, it relates to customer behavior regarding banking preferences.

8. What role does the FDIC play in economic research?

- A. It primarily generates profit for banks
- B. It conducts research to inform policy decisions**
- C. It audits individual banks on a weekly basis
- D. It limits banks' participation in economic studies

The FDIC (Federal Deposit Insurance Corporation) plays a vital role in conducting research that informs its policy decisions and those of the financial sector. This research effort ensures that the FDIC is well-informed about the banking industry's trends, risks, and economic conditions, which ultimately leads to better regulatory and oversight practices. By analyzing data and producing reports, the FDIC can develop policies that promote the stability and efficiency of the banking system while protecting depositors. This function of conducting research is essential for understanding the implications of various banking practices and the overall financial landscape. The insights gained from this research help shape the FDIC's approach to deposit insurance, risk management, and banking regulations to ensure a safe and sound banking system. In contrast, the other options do not accurately capture the FDIC's core responsibilities. The organization does not focus on generating profit for banks, auditing on a weekly basis, or limiting banks' participation in economic studies. Instead, its primary mission includes consumer protection and maintaining public confidence in the nation's financial system, which is facilitated through informed policy-making based on thorough research.

9. What is the focus of Part 381?

- A. Former Office of Thrift Supervision Regulations**
- B. Credit Risk Retention**
- C. Orderly Liquidation Authority**
- D. Reserve Requirements of Depository Institutions**

The correct focus of Part 381 is on the regulations that were formerly enforced by the Office of Thrift Supervision (OTS). This part of the regulations pertains specifically to the transition and implementation of rules for depository institutions previously supervised by the OTS, especially after the OTS was dissolved as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act. This focus aims to provide clarity and continuity in the regulatory framework for these institutions, ensuring that they adhere to appropriate safe and sound banking practices. By addressing the needs of institutions that were governed by the OTS, Part 381 helps to maintain stability in the financial system during the transition period of regulatory changes. The other options, while related to the broader context of banking regulations, do not directly concern the intent and purpose of Part 381. Credit Risk Retention relates to the requirements for securitizers to retain a portion of the credit risk in asset-backed securities. Orderly Liquidation Authority refers to the procedures for liquidating failing financial institutions in a way that mitigates systemic risk. Reserve Requirements are regulations concerning the amount of funds that banks must hold in reserve, which is not the focus of Part 381.

10. What is included in Part 311 of the FDIC regulations?

- A. Rules of Practice and Procedures**
- B. Privacy Act Regulations**
- C. Rules Governing Observation of Meetings**
- D. Appraisals**

Part 311 of the FDIC regulations specifically addresses the rules governing the observation of meetings. This part outlines the provisions that ensure transparency and public access to meetings held by the FDIC, in alignment with the principles of open government. By establishing a framework for how meetings are conducted and observed, this regulation aims to uphold accountability and public interest. The focus on observation of meetings allows stakeholders, including the public and the media, to have insights into the decision-making processes of the FDIC, fostering trust and confidence in the agency's operations. This regulatory part is essential for ensuring that FDIC's activities are conducted in an open manner while balancing the need for confidentiality in certain circumstances. Understanding the implications of Part 311 is crucial for those involved in regulatory compliance and oversight, as these regulations play a vital role in the governance and operational transparency of the FDIC.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://fdictecheval.examzify.com>

We wish you the very best on your exam journey. You've got this!

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