

FDIC TECHNICAL EVALUATION PRACTICE TEST (SAMPLE)

STUDY GUIDE



**SAMPLE STUDY GUIDE
WITH LIMITED QUESTIONS**

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THE FULL VERSION STUDY GUIDE**

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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 is an essential element of the Bank Secrecy Act Compliance according to Part 326?**
 - A. Marketing Standards
 - B. Privacy Protection
 - C. Security Procedures
 - D. Capital Minimization
- 2. What aspect does Part 351 address?**
 - A. Disclosure of Financial and Other Information by FDIC-Insured State Nonmember Banks
 - B. Golden Parachute and Indemnification Payments
 - C. Nondiscrimination on the basis of Disability
 - D. Determination of Economically Depressed Regions
- 3. Which part of the FDIC regulations addresses fair housing?**
 - A. Part 337
 - B. Part 338
 - C. Part 339
 - D. Part 340
- 4. What is the primary objective of Part 330 concerning financial institutions?**
 - A. Consumer Privacy Protection
 - B. Deposit Insurance Coverage
 - C. Fair Credit Reporting
 - D. Risk Management Framework
- 5. What is the term length for the Chairperson of the FDIC?**
 - A. 4 years
 - B. 5 years
 - C. 6 years
 - D. 8 years

6. How does the FDIC view the need for banks to serve diverse communities?

- A. As an optional service based on bank capabilities
- B. As a regulatory burden for banks
- C. As an essential part of fair financial service accessibility
- D. As a strategy to maximize profits

7. Which regulatory aspect is included in Part 352?

- A. Suspicious Activity Reports
- B. Proprietary Trading and Certain Interests in Covered Funds
- C. International Banking
- D. Nondiscrimination on the basis of Disability

8. What aspect of financial operations is addressed by Part 327?

- A. Corporate Governance
- B. Financial Assessments
- C. Consumer Protection
- D. Advertising Practices

9. 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

10. What type of risk does Part 329 focus on managing?

- A. Market Risk
- B. Liquidity Risk
- C. Credit Risk
- D. Operational Risk

Answers

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

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Explanations

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1. What is an essential element of the Bank Secrecy Act Compliance according to Part 326?

- A. Marketing Standards
- B. Privacy Protection
- C. Security Procedures**
- D. Capital Minimization

The correct answer, security procedures, is essential to ensuring compliance with the Bank Secrecy Act (BSA). This act is designed to combat money laundering and other financial crimes, requiring banks and financial institutions to establish effective internal controls. Security procedures encompass a range of measures designed to protect sensitive data, monitor transactions, and ensure that suspicious activities are reported. They help institutions maintain the integrity of their operations and compliance with regulations, thereby reducing the risk of financial crime. In contrast, while marketing standards, privacy protection, and capital minimization are important aspects of banking operations and regulatory compliance, they do not specifically address the requirements outlined in the BSA for ensuring that institutions have adequate measures to prevent and report illicit financial activities. Security procedures specifically target the need for banks to have a robust system in place to detect and prevent risks associated with money laundering and other financial crimes, which is a primary goal of the BSA.

2. What aspect does Part 351 address?

- A. Disclosure of Financial and Other Information by FDIC-Insured State Nonmember Banks**
- B. Golden Parachute and Indemnification Payments
- C. Nondiscrimination on the basis of Disability
- D. Determination of Economically Depressed Regions

Part 351 specifically addresses the disclosure requirements for financial and other information by FDIC-insured state nonmember banks. This regulation aims to ensure transparency and inform stakeholders—including depositors, investors, and regulators—about the financial condition and operational practices of these institutions. Through these disclosure requirements, Part 351 promotes accountability and informed decision-making, contributing to system stability and consumer confidence in the banking sector. The regulations facilitate compliance with applicable laws and help protect consumers by ensuring they have access to relevant information. This aspect of regulation is critical in the landscape of banking and finance, as it builds trust between financial institutions and their customers.

3. 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.

4. What is the primary objective of Part 330 concerning financial institutions?

- A. Consumer Privacy Protection
- B. Deposit Insurance Coverage**
- C. Fair Credit Reporting
- D. Risk Management Framework

The primary objective of Part 330 concerning financial institutions is deposit insurance coverage. This regulation is critical because it establishes the framework under which the Federal Deposit Insurance Corporation (FDIC) provides insurance to depositors in case the financial institution fails. Specifically, Part 330 outlines how much deposit insurance coverage is available per depositor, per insured bank, and what types of accounts are eligible for coverage. This regulation plays a vital role in maintaining public confidence in the banking system by protecting consumers' deposits, ensuring that even if a bank fails, customers will not lose their insured funds. The other options, while important in their respective contexts, do not directly pertain to the central aim of Part 330. Consumer privacy protection, fair credit reporting, and risk management frameworks are governed under different regulations and do not specifically focus on the insurance coverage of deposits offered by financial institutions.

5. 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.

6. How does the FDIC view the need for banks to serve diverse communities?

- A. As an optional service based on bank capabilities
- B. As a regulatory burden for banks
- C. As an essential part of fair financial service accessibility**
- D. As a strategy to maximize profits

The FDIC recognizes the importance of banks serving diverse communities as an essential part of ensuring fair access to financial services. This perspective aligns with the FDIC's mission to promote public confidence in the nation's financial system. By actively encouraging banks to engage with diverse populations, the FDIC aims to foster inclusivity in financial services and ensure that all segments of the community have equal opportunities to access banking products and services. Serving diverse communities is not seen merely as an optional service or a burden, but rather as a fundamental aspect of promoting equity and financial stability. This approach helps to mitigate barriers that different groups may face in accessing banking services and products, thus supporting broader societal goals such as economic development and social inclusion. Additionally, fulfilling the banking needs of various communities can lead to a stronger customer base for institutions, reinforcing the idea that meeting diverse needs is not just beneficial in ethical terms but also advantageous for the banks themselves.

7. Which regulatory aspect is included in Part 352?

- A. Suspicious Activity Reports
- B. Proprietary Trading and Certain Interests in Covered Funds**
- C. International Banking
- D. Nondiscrimination on the basis of Disability

Part 352 of the regulations pertains specifically to the promotion and regulation of permissible activities related to volatile markets, particularly concerning proprietary trading and certain interests in covered funds. This section addresses how financial institutions can engage in these activities while ensuring adequate risk management and adherence to regulatory standards. The focus on proprietary trading is particularly relevant in the context of recent financial market activities, where regulators have sought to mitigate risks associated with high-frequency trading and related practices that could jeopardize market stability. By establishing rules specific to this area, Part 352 aims to foster a safer trading environment while allowing for some degree of innovation and flexibility within financial institutions. In contrast, the other topics listed do not fall under Part 352. For example, suspicious activity reports are aligned with anti-money laundering regulations, international banking deals with cross-border operations, and nondiscrimination on the basis of disability concerns accessibility and fair treatment in financial services. Thus, understanding Part 352 is crucial for recognizing the regulatory framework surrounding proprietary trading activities.

8. What aspect of financial operations is addressed by Part 327?

- A. Corporate Governance
- B. Financial Assessments**
- C. Consumer Protection
- D. Advertising Practices

Part 327 primarily addresses financial assessments, specifically focusing on the deposit insurance assessment system for insured depository institutions. This regulation outlines how the FDIC calculates assessment rates, which are critical for determining the premiums that banks must pay for deposit insurance. Understanding financial assessments is crucial for maintaining the stability and health of the banking system. The assessments influence a bank's overall financial condition, affecting its ability to lend and invest. As such, this part serves to ensure that adequate resources are maintained to protect depositors and uphold public confidence in the banking structure. Other aspects mentioned in the options, such as corporate governance, consumer protection, and advertising practices, while important, do not directly pertain to the financial assessment processes defined in Part 327. Each of those categories is addressed in other regulations or guidelines but is distinct from the focus of Part 327 on financial assessments connected to deposit insurance.

9. 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.

10. What type of risk does Part 329 focus on managing?

- A. Market Risk
- B. Liquidity Risk**
- C. Credit Risk
- D. Operational Risk

Part 329 focuses on managing liquidity risk. This is a critical aspect of a financial institution's stability and operational efficiency. Liquidity risk refers to the possibility that an institution will not be able to meet its short-term financial obligations due to an imbalance between liquid assets and liabilities. Effective management of liquidity ensures that a bank has enough cash on hand or can quickly convert assets to cash to meet obligations without incurring significant losses. The importance of managing liquidity risk is underscored by regulatory requirements, as institutions need to maintain sufficient liquid reserves to navigate unforeseen financial disruptions and ensure compliance with regulatory standards. Understanding liquidity management helps institutions prepare for sudden withdrawals by customers or unexpected disruptions in cash flow, ultimately supporting their financial health and stability.

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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