



# Brokered Certificates of Deposit

FDIC-insured bank deposits

If you're an investor seeking income and protection against losses on your principal investment,<sup>1</sup> Brokered Certificates of Deposit (CDs) may be right for you.



Brokered CDs that have a pre-determined interest rate can help you plan for future income needs. Interest may be paid monthly, semi-annually, annually, or upon maturity, subject to the credit risk of the issuer.

A Brokered CD can be resold through a brokerage firm at the prevailing market price. If you decide to sell a Brokered CD prior to its maturity, you may receive more or less than your original purchase price. There is no guarantee that a secondary market will be available.

## Brokered CDs may be appropriate<sup>3</sup> for:

- Retirement planning
- Education savings
- Individual Retirement Accounts (IRAs)
- Custodial accounts
- Businesses
- Non-profit organizations
- Income-focused investing

## Brokered CDs provide:

- A chance to lock in a rate of return
- Principal protection<sup>1</sup> with FDIC insurance
- Flexibility to choose multiple issuers and maturities
- Laddering opportunities
- Penalty-free early withdrawals in the event of death<sup>2</sup>
- Potential liquidity in the secondary market<sup>3</sup>

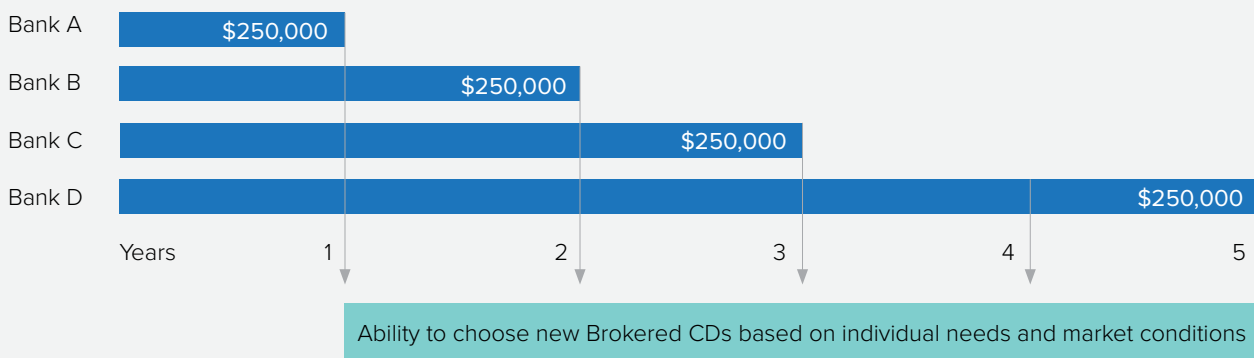
<sup>1</sup> Principal is returned at maturity and is subject to the credit risk of the issuer.  
<sup>2</sup> Certain restrictions apply. Please refer to the investment's offering documents for details.  
<sup>3</sup> Potential investors must consider account liquidity needs, as Brokered CDs may not be redeemed until their maturity date. There is no guarantee of a secondary market.

# The Benefits of Flexibility

A Brokered CD ladder can make sure your cash stays invested while affording periodic access to your money.

## Protection and choice with CD bond laddering

This chart is for illustrative purposes only.



## Protection

Brokered CDs are debt obligations of the issuing financial institution. Should the issuer become insolvent, the Federal Deposit Insurance Corporation (FDIC), an independent agency of the United States government, protects your principal investment. Protection is only up to the allowable insurance limits, generally \$250,000 per account ownership category per financial institution.

The ownership categories include:

### Single accounts;

Certain **retirement accounts** – Individual Retirement Accounts (IRAs), Roth IRAs, Simplified Employee Pension (SEP) IRAs, Savings Incentive Match Plan for Employees (SIMPLE) IRAs, and Self-Directed Contribution accounts such as Section 457 plans;

**Joint accounts** – All co-owners must be alive and have equal rights to ownership;

**Employee benefit plan accounts** – Pension and defined benefit plans;

**Corporations, partnerships and unincorporated association accounts** – Deposits owned by profit and not-for-profit organizations; and,

**Government accounts** – Accounts owned by federal agencies, states, counties and municipalities, as well as The District of Columbia, Puerto Rico and other government possessions, territories and Indian tribes.

**Revocable and Irrevocable Trusts** – All trust accounts associated with a grantor, revocable or irrevocable, must be combined to determine applicable FDIC coverage. If a trust has more than one owner, each owner's insurance coverage is calculated separately. These combined trust accounts will have a \$250,000 insurance limit per named beneficiary, with a maximum insurance coverage of \$1,250,000 (5 beneficiaries) regardless of the number of beneficiaries.

**By structuring Brokered CDs into multiple ownership categories, you can maximize how much FDIC coverage you and your family can receive.**

This is an example of how you can take advantage of multiple ownership categories:

Account title	Account ownership category	Owner(s)	Beneficiary (ies)	Maximum insurable amount
Husband	Single account	Husband		\$250,000
Wife	Single account	Wife		\$250,000
Husband & Wife	Joint account	Husband & Wife		\$500,000
Husband POD	Revocable trust account (Payable Upon Death)	Husband	Wife	\$250,000
Wife POD	Revocable trust account (Payable Upon Death)	Wife	Husband	\$250,000
Husband & Wife Living Trust	Revocable trust account	Husband & Wife	Child 1 Child 2 Child 3	\$1,500,000
Husband IRA	Certain Retirement Account	Husband		\$250,000
Wife IRA	Certain Retirement Account	Wife		\$250,000
<b>Total</b>				<b>\$3,500,000</b>

Source: [https://www.fdic.gov/regulations/resources/brochures/your\\_insured\\_deposits-english.html](https://www.fdic.gov/regulations/resources/brochures/your_insured_deposits-english.html) - as of July 1, 2025

**FDIC Estate Feature**

In addition to FDIC insurance, and subject to the terms and conditions of the issuer, Brokered CDs may have an estate feature.<sup>2</sup> Upon death or adjudication of incompetency, this feature allows your designated beneficiaries to redeem Brokered CDs at their principal value with accrued interest prior to maturity.

<sup>2</sup> Certain restrictions apply. Please refer to the investment's offering documents for details.

# What you should know before investing in brokered CDs

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## Credit Risk

Any investment above the FDIC allowable limit is subject to the credit risk of the issuer, as is any interest payment.

## FDIC Insurance

Brokered CDs are FDIC-insured in the event of issuer insolvency, up to the applicable limits of \$250,000 per account ownership category and for each account owner and each of their beneficiaries. Any investment that exceeds the FDIC limit is subject to the credit risk of the issuer. InspereX only partners with issuers of Brokered CDs that are insured with the FDIC. While there is no maximum limit on the amount you can invest in Brokered CDs, FDIC insurance only covers CDs up to the maximum insurance limits.

## Liquidity Risk

Brokered CDs are intended to be held until maturity, and the secondary market may be limited or non-existent. Brokered CDs sold prior to maturity may be subject to a substantial loss or gain due to fluctuations in interest rates or other factors. Additionally, the market value of a Brokered CD in the secondary market may be influenced by factors including, but not limited to, interest rates, provisions such as step features, and the credit rating of the issuer.

## Interest Rate Risk

Brokered CD valuations and secondary market prices are susceptible to changes in interest rates. If interest rates rise, the market price of outstanding Brokered CDs will generally decline, creating a potential loss should you decide to sell them prior to maturity.



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Brokered Certificates of Deposit are subject to the credit risk of the issuer above FDIC insurance limits. Investors who sell Brokered Certificates of Deposit prior to maturity are subject to the loss of principal, as there may not be an active secondary market. You should not purchase a Brokered Certificate of Deposit until you have read the specific offering documentation and understand the specific investment terms, features, risks, fees, charges, and expenses of such investment.

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