Brokered Certificate of Deposit

A brokered certificate of deposit (CD) is a CD that an investor purchases through a brokerage firm (like Davenport & Company) rather than a bank. Although the bank initiates the Brokered CD, it engages with Dealer firms to locate potential investors. Brokered CDs are similar to bank CDs except they can be traded in the secondary market. If held to maturity, the holder of a brokered CD will receive his or her full principal with interest.

Benefits of Brokered CDs

- Access to CDs issued by a wide range of banks, with various maturities from 3 months to 10 years which are screened for the highest quality
- CDs may offer higher yields than savings accounts and treasuries
- FDIC Insurance: $250,000 per account, per institution*
- Survivor Option: 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.
- Liquidity: Unlike bank CDs, there is a secondary market for brokered CDs with no prepayment penalties like most Bank CDs. They trade like bonds so are subject to market risk.
- Diversification: Davenport customers can purchase CDs from multiple banks and hold them in a single Davenport account.

Davenport Financial Advisors have full access to the Fixed Income department, including liaisons and bond traders who actively monitor CD offerings on a daily basis.

*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.

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