

## National Credit Union Administration

## § 707.1

(2) If the notice to cosigner is a separate document, nothing other than the following items may appear with the notice. Items (i) through (v) may not be part of the narrative portion of the notice to cosigner.

- (i) The name and address of the Federal credit union;
- (ii) An identification of the debt to be consigned (e.g., a loan identification number);
- (iii) The amount of the loan;
- (iv) The date of the loan;
- (v) A signature line for a cosigner to acknowledge receipt of the notice; and
- (vi) To the extent permitted by state law, a cosigner notice required by state law may be included in the paragraph (b)(1) notice.

(3) To the extent the notice to cosigner specified in paragraph (b)(1) of this section refers to an action against a cosigner that is not permitted by state law, the notice to cosigner may be modified.

### § 706.4 Late charges.

(a) In connection with collecting a debt arising out of an extension of credit to a consumer, it is an unfair act or practice for a Federal credit union, directly or indirectly, to levy or collect any delinquency charge on a payment, which payment is otherwise a full payment for the applicable period and is paid on its due date or within an applicable grace period, when the only delinquency is attributable to late fee(s) or delinquency charge(s) assessed on earlier installment(s).

(b) For purposes of this section, "collecting a debt" means any activity other than the use of judicial process that is intended to bring about or does bring about repayment of all or part of a consumer debt.

### § 706.5 State exemptions.

(a) If, upon application to the NCUA by an appropriate state agency, the NCUA determines that:

(1) There is a state requirement or prohibition in effect that applies to any transaction to which a provision of this rule applies; and

(2) The state requirement or prohibition affords a level of protection to consumers that is substantially equivalent to, or greater than, the protection

afforded by this rule; then that provision of this rule will not be in effect in the state to the extent specified by the NCUA in its determination, for as long as the state administers and enforces the state requirement or prohibition effectively.

(b) States that received an exemption from the Federal Trade Commission's Credit Practices Rule prior to September 17, 1987, are not required to re-apply to NCUA for an exemption under paragraph (a) of this section provided that the state forwards a copy of its exemption determination to the appropriate Regional Office. NCUA will honor the exemption for as long as the state administers and enforces the state requirement or prohibition effectively. Any state seeking a greater exemption than that granted to it by the Federal Trade Commission must apply to NCUA for the exemption.

## PART 707—TRUTH IN SAVINGS

### Sec.

- 707.1 Authority, purpose, coverage and effect on State laws.
- 707.2 Definitions.
- 707.3 General disclosure requirements.
- 707.4 Account disclosures.
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- 707.9 Enforcement and record retention.
- 707.10 Electronic communication.
- 707.11 Additional disclosure requirements for credit unions advertising the payment of overdrafts.

APPENDIX A TO PART 707—ANNUAL PERCENTAGE YIELD CALCULATION

APPENDIX B TO PART 707—MODEL CLAUSES AND SAMPLE FORMS

APPENDIX C TO PART 707—OFFICIAL STAFF INTERPRETATIONS

AUTHORITY: 12 U.S.C. 4311.

SOURCE: 58 FR 50445, Sept. 27, 1993, unless otherwise noted.

### § 707.1 Authority, purpose, coverage and effect on State laws.

(a) *Authority.* This part is issued by the National Credit Union Administration Board to implement the Truth in Savings Act of 1991 (TISA), contained in the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4301 *et seq.*, Public Law No. 102-242, 105 Stat. 2236).