

**Jordan, Sheron Y**

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**From:** Jennifer Grant [jenniferg@cuaa.org]  
**Sent:** Monday, November 17, 2008 5:09 PM  
**To:** \_Regulatory Comments  
**Subject:** Credit Union Association of Oregon Comments on Accuracy of Advertising and Notice of Insured Status, Part 740

November 17, 2008

Mary Rupp, Secretary of the Board  
National Credit Union Administration  
Re: 12 CFR Part 740, RIN 3133-AD52  
Proposed Rule Accuracy of Advertising and Notice of Insured Status,

Thank you for the opportunity to comment on the proposed rule Accuracy of Advertising and Notice of Insured Status, Part 740, which addresses signage requirements for credit unions participating in the shared branching networks.

The Credit Union Association of Oregon (CUAO) is a nonprofit, professional trade association representing Oregon's state, community, and federally chartered credit unions. Since 1936, CUAO has been at the forefront of credit union issues at the state, regional, and national level, and provides a voice for Oregon's 4 million credit union members on issues impacting credit unions at a local level.

There are several benefits to shared branch networks, convenience and members' accessibility to their credit unions being foremost. Additionally, shared branch service centers offer credit unions a viable disaster recovery and business continuity tool, one that is encouraged by NCUA. We commend NCUA for considering a revision to the rule, which will greatly ease compliance obligations.

Under NCUA's current rules credit unions that service other credit unions through a shared branch relationship are required to post a sign next to the "official sign" listing the names of all the shared branch credit unions that are federally insured. These signs are required to be posted at each station where insured deposits are accepted.

The sign listing the names of all the insured shared branch credit unions is very burdensome. The number of credit unions participating in these arrangements combined with the constant and continuous maintenance of the lists makes the requirement unreasonable. Therefore, we support NCUA in offering a more practical solution. Under the proposal, in lieu of listing the names of all the insured credit unions, the sign to be posted adjacent to the "official sign" would have language that the credit union participates in a shared branch network and accepts deposits for members of other credit unions, not all of which are federally insured. The sign will further need to direct the member to their credit union for information about insurance coverage. The proposal also indicates that for non-federally insured credit unions that participate in shared branching there would be no need to

display the additional sign regarding insurance for shared branch members because they would not be displaying the “official sign”.

The overall purpose of the signage requirement is to accurately inform and educate members about insurance coverage. It appears that the proposed exceptions for federally insured and non-federally insured credit unions that are part of a shared branch network contradict each other, in that NCUA will not require non-federally insured credit unions to post any sign whatsoever regarding insurance for members they may serve via shared branching that are federally insured by their home credit union. We understand and wholeheartedly agree that members should be properly educated and informed about insurance coverage. However the current arrangement, as well as the proposed, seems arduous and confusing for both members and guest members of a credit union that participates in shared branching.

We believe that members realize the distinction between their credit union and the credit union that is servicing them in a shared branch environment. For instance, a member walking into a shared branch service center that has an advertisement for a loan or deposit product would not presume that particular loan or deposit product was being offered by their credit union. They would refer to their own credit union for specifics on loan and deposit offerings. We believe this mindset holds true for insurance coverage advertising.

Moreover, shared branch service centers are really no different than Automated Teller Machines (ATM) that service several different institutions. There are no requirements for advertising insured status on ATMs and consumers/members do not seem to equate the lack of signage as being indicative of their institution’s insurance status. Those served at an ATM refer to their respective institutions for account, transaction, and other information. Under these premises, we do not think any additional sign beyond the “official sign” is necessary for credit unions that participate in shared branch networks.

Ultimately, for the reasons stated above, we feel there is no need for a second or additional sign for credit unions that engage in shared branching. As a next best alternative we recommend that the proposed additional sign only be required to be displayed in one conspicuous location within the credit union branch as opposed to displaying it at each station.

In conclusion, we again thank the NCUA for being proactive in streamlining requirements for compliance with accurately advertising the notice of insured status.

If you have any questions or need further information please contact me at 503.641.8420.

Respectfully,

**Jennifer Grant, CUCE, BSACS**

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