



Credit Union National Association

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cuna.org

VIA E-MAIL – regcomments@ncua.gov

November 21, 2008

Ms. Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Re: CUNA Comments on Accuracy of Advertising and Notice of Insured Status Proposed Rule – Part 740

Dear Ms. Rupp:

The Credit Union National Association (CUNA) appreciates the opportunity to comment on the proposed rule to amend the share insurance sign requirements for federally insured credit unions participating in shared branch networks. Currently, for tellers accepting share deposits for both federally insured and nonfederally insured credit unions, there must be a second sign adjacent to the official NCUA insurance sign. The second sign must list each federally insured credit union served by the teller, along with a statement that only those credit unions are federally insured. The proposed rule will replace the required list of credit unions with a general statement that not all of the credit unions served by the teller are federally insured and members should contact their credit union for further information. CUNA represents approximately 90 percent of our nation's 8,200 state and federal credit unions, which serve nearly 92 million members.

Summary of CUNA's Comments

- CUNA supports the goal of the proposed rule, which is to reduce the burden of the current share insurance sign requirements for shared branch networks.
- CUNA suggests additional flexibility for credit unions. This includes only requiring one sign in the branch in a conspicuous location that provides the general statement that not all credit unions served by the teller are federally insured or, instead of a sign, allowing tellers at credit unions that provide service to members of other credit unions the option of providing a separate disclosure to these nonmembers. A federally insured credit union that



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provides service to members of other credit unions should also have the option of indicating either on the sign or any separate disclosure that it is federally insured.

Discussion

CUNA supports the goal of the proposed rule, which is to reduce the burden of the current share insurance sign requirements for shared branch networks. The proposal recognizes the burden of the current requirements for those extensive shared branch networks that serve thousands of individual credit unions, which often results in lengthy signs that need to be updated frequently. This is not only burdensome for credit unions that have to produce these signs, but these signs are overly complex for members. We believe the proposal will help alleviate these burdens for both credit unions and their members, while providing adequate information that would be applicable to those very small number of consumers who are members of nonfederally insured credit unions.

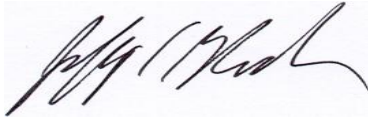
To further the goal of reducing burdens associated with these requirements, we suggest that credit unions have additional flexibility for complying with these rules. Instead of a separate, second sign adjacent to each official NCUA insurance sign, we believe credit unions should have the option of posting one sign in a conspicuous location in the lobby that would include the general statement that not all of the credit unions served by the teller are federally insured and members should contact their credit union for further information.

Alternatively, instead of the second sign, those credit unions that provide service to members of other credit unions should have the option of providing a similar disclosure that the teller would hand out to these nonmembers. Either of these alternatives should serve the goal of sufficiently informing members of their insurance coverage, especially considering that very few consumers are members of nonfederally insured credit unions.

Also, a federally insured credit union that provides service to members of other credit unions should have the option of indicating either on the sign or any separate disclosure that it is federally insured. This should alleviate concerns from members who may not be aware of the insurance status or may believe the status has changed when they read these new signs or disclosures. This is especially important in the current environment in which many consumers are concerned about the safety of the money they have in financial institutions.

Thank you for the opportunity to comment on the proposed rule to amend the share insurance sign requirements for shared branch networks. If you or other Board staff have questions about our comments, please give Senior Vice President and Deputy General Counsel Mary Dunn or me a call at (202) 638-5777.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Bloch", is written over a light blue rectangular background.

Jeffrey Bloch
Senior Assistant General Counsel