



OHIO CREDIT
UNION LEAGUE

November 3, 2008

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

Re: Comments on Proposed Share Insurance Signage Requirements in Credit
Unions Participating in Shared Branching Networks

Dear Ms. Rupp:

On behalf of the Ohio Credit Union League (OCUL), this letter responds to the National Credit Union Administration's (NCUA) proposed rule that would modify the National Credit Union Share Insurance (NCUSIF) signage requirement in credit unions that participate in shared branching networks. The Ohio Credit Union League is a credit union trade association representing the interests of Ohio's federal and state-chartered credit unions and its 2.6 million members.

The comments reflected in this letter represent the recommendations of the Ohio Credit Union League. We appreciate the opportunity to provide suggestions and feedback prior to the consideration of any final rules as proposed.

Background

NCUA is proposing modifications to Part 740.4 of their Rules and Regulations. The proposal states that these rule changes are being made primarily due to the evolution of shared branch networks (some with thousands of credit union branch locations), making compliance with current shared branching signage rules difficult.

Currently, for tellers in federally-insured shared branching locations that accept share deposits for both federally-insured and non-federally insured credit unions, two signs are required to be displayed. The first sign must be the official NCUA share insurance sign. A second sign must also be displayed adjacent to the first sign, listing every federally-insured credit union served by the credit union, along with a statement that only these credit unions are federally-insured.

The proposal also clarifies that tellers in nonfederally-insured shared branching locations may accept deposits for federally-insured credit unions, and that these

branches may not display the official NCUA share insurance sign (and therefore, no need to display the second sign mentioned above).

OCUL Comments

Shared branching networks have evolved greatly since the last time shared branching network insurance disclosure rules were first adopted (1971), with shared branching networks that now include thousands of locations nationwide. The current signage requirements for shared branching networks, namely the requirement of listing every federally-insured credit union next to the official NCUA share insurance logo, has become very problematic and nearly impossible to ensure 100% compliance, due to the constantly changing list of a large number of participating credit unions.

The OCUL believes the newly proposed rules to replace this burdensome and lengthy list of credit unions with a second sign containing a statement that “not all credit unions are federally-insured and that members should contact their credit union for further information” is both reasonable and straight-forward. The proposal states that the second sign must be similar to the official NCUA sign in terms of design, color, and font.

We agree with the proposal that this change ultimately represents less confusion and less potential concern by members, in comparison to hanging a virtual “manual” of locations on the wall for shared branch users to comb through. A shared branch user, not finding their credit union name, could leave the impression that if their credit union is not listed, that they may not be insured...and thus not sound.

The OCUL appreciates NCUA supplying newly designed signs that meet the proposed signage modifications, along with allowing credit unions to design their own signage that meets reasonable and similar design, color and font standards.

The OCUL also agrees with the clarification of the rules that privately-insured credit unions participating in shared branching may accept deposits from members of federally-insured credit unions...but may not display the official NCUSIF logo. These rule changes are fair, so as to not confuse shared branch users.

The Ohio Credit Union League appreciates the opportunity submit the above comments. The Ohio Credit Union League is available to provide additional input or comments if requested. If so, please contact me at (800) 486-2917 ext. 232 or dshoup@ohiocul.org.

Respectfully Submitted,



David J. Shoup
Vice President, Regulatory Affairs