

# BEACON CREDIT UNION

June 10, 2005

Proposed Rule for FDICIA Disclosures, Matter No. R411014  
Federal Trade Commission/Office of the Secretary  
Room H-159 (Annex A)  
600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580

Dear Secretary:

Our credit union serves 38,000 members who reside in north central Indiana. Deposit accounts at Beacon Credit Union have been privately insured since 1984. My staff and I are troubled over the proposed rule governing consumer disclosures and what constitutes a “similar instrument evidencing a deposit.” Your agency has asked for public comment and I appreciate the opportunity to address this subject.

The FDIC Improvement Act of 1991 (FDICIA) requires disclosure of the absence of federal insurance addressing the fact that the federal government does not guarantee that depositors will get their money back if we fail. Members receive this message on all periodic statements, membership cards, passbooks, certificates, and brochures. Since the passage of this law, we have attempted to comply with this provision in all respects. If the FTC’s interpretation of FDICIA concludes we must also place this disclosure on all deposit slips, tickets and receipts, continued compliance would be impractical and the cost of compliance prohibitive.

While our credit union offers specific sources for checks and deposit slips, many of our members purchase these products over the Internet or from other unaffiliated vendors. Also, other than style choices in checks, most vendors don’t offer options for deposit slips. To request custom-ordered deposit slips from any vendor assuming such service is even available – would be more costly to our depositor.

I believe such disclosures would be redundant, confusing, cost-prohibitive, require additional space, and are not constructive given the other forms of consumer disclosures required under the statute. Also, it is my understanding the NCUA specifically exempts deposit slips, tickets or receipts from containing the required disclosure regarding the presence of federal share insurance.

As deposit slips and receipts become smaller and technological limitations continue, disclosures on every document members handle will become extremely expensive and make no logical sense. The 200 plus privately insured credit unions are already providing marketing for NCUA through the numerous forms of existing disclosures. This proposed rule addressing deposit slips and receipts is not necessary and should be eliminated in its entirety.

Respectfully submitted,

Bruce Ingraham  
President