

# NCUA LETTER TO CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION  
1775 Duke Street, Alexandria, VA 22314

**DATE:** November 2006                      **LETTER NO.:** 06-CU-18  
**TO:** Federally Insured Credit Unions  
**SUBJ:** Revisions to the Official NCUA Sign

Dear Board of Directors:

The purpose of this Letter is to inform you of recent changes to NCUA's Rules and Regulations, Part 740, Accuracy of Advertising and Notice of Insured Status. The NCUA Board approved the final rule revising NCUA's official sign on November 16, 2006. The approved final rule establishes two separate compliance dates for credit unions to incorporate the revised official sign, provides for a statutory penalty of up to \$100 per day for violation of regulatory provisions related to the official sign, and clarifies color scheme requirements for the official sign.

## **Two Separate Compliance Dates**

Credit unions must replace the old version of the official sign with the revised official sign at required locations, such as each station or window where the credit union normally receives insured funds or deposits in its principal place of business and all of its branches and on its internet page where it accepts deposits or opens accounts **within six (6) months of the rule's effective date.**

Credit unions must replace the old version of the official sign with the revised official sign on each document where it has chosen to include the official sign, including advertisements, marketing and promotional materials, disclosures, and others **within one (1) year of the rule's effective date.**

## **Initial Supply of Signs**

All federally insured credit unions will be provided with an initial supply of the revised official sign with a blue background and white lettering at no cost. Additionally, a downloadable graphic of the official sign is available on the agency's website for credit unions to use on their websites.

You should have received or will soon be receiving an initial supply of signs from NCUA. If the initial supply is not adequate, insured credit unions must immediately request additional signs from NCUA. Any credit union that does not have an adequate supply but requests additional signs from NCUA will not be considered to have violated the final rule unless the credit union fails to display the signs after receiving them within the allotted timeframe.

### **Technical Clarifications**

NCUA amended §740.4(b)(2) to ensure its policy that a credit union may use the color scheme of its choice regarding the official sign is clearly reflected. Credit unions may purchase or develop signs in colors other than those provided to it by NCUA at each station or window where the credit union normally receives insured funds or deposits in its principal place of business and all of its branches and on its internet page where it accepts deposits or opens accounts so long as they are legible and otherwise comply with Part 740.

Additionally, NCUA reiterates that a credit union also may alter the official sign's font sizes to ensure it is legible and visually prominent on a web page. Credit unions may do the same on other documents where they have chosen to include the official sign in connection with the official advertising statement or for other purposes not required by Part 740. A credit union may not alter the font size of the official sign as provided by NCUA for placement at each station or window where the credit union normally receives insured funds or deposits in its principal place of business and all of its branches.

A full text of the revised rule is located on NCUA's website at: [www.ncua.gov](http://www.ncua.gov)  
Should you have questions about the revisions to NCUA's advertising rule, please do not hesitate to contact your regional office or state supervisory authority.

Sincerely,

/s/

JoAnn M Johnson  
Chairman