

NCUA LETTER TO CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION

1775 Duke Street, Alexandria, VA 22314

DATE: APRIL 14, 1997 LETTER NO: 97-CU-5

TO: The Board of Directors of the Federal Insured Credit Union

Addressed

SUBJ: Interagency Statement on Retail On-line PC Banking

Attached for your information is an Interagency Statement on Retail On-line PC Banking produced by the Federal Financial Institutions Examination Council (FFIEC). This statement discusses the risks and important considerations involved in providing electronic financial services (i.e., PC banking, Web sites, etc.). If your credit union currently offers or is thinking about offering remote account access, you should review this statement carefully.

In addition to safety and soundness issues, credit unions must address regulatory compliance when offering electronic financial services. The following regulations also apply to electronic financial services:

- NCUA Rules and Regulations Part 701.31 - Nondiscrimination Requirements
- NCUA Rules and Regulations Part 707 - Truth in Savings
- NCUA Rules and Regulations Part 740 - Advertising
- Electronic Funds Transfer Act
- Equal Credit Opportunity Act
- Expedited Funds Availability Act
- Fair Credit Reporting Act
- Fair Housing Act
- Real Estate Settlement and Procedures Act
- Reserve Requirements for Depository Institutions
- Right to Financial Privacy
- Truth in Lending Act

Some of the most common violations we observe when reviewing credit union Web sites are:

- The official NCUA sign and insurance statement are not always properly displayed.
- Advertisements for shares do not include "annual percentage yield" (APY).
- Equal housing lender symbol is not displayed when mortgage loans are offered.
- Advertisements for credit do not include "annual percentage rate" (APR).
- Proper disclosures for credit card applications are not offered.

If you have any questions, please contact your regional office.

For the National Credit Union Administration Board,

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Norman E. D'Amours

Chairman

[Enclosure](#)