

January 25, 1995

Steve Edgerton, President  
Nebraska Credit Union League & Affiliates  
P.O. Box 3727  
Omaha, NE 68103-0727

Re: Use of Term "Deposit" (Your Letter of December 22, 1994)

Dear Mr. Edgerton:

You have brought to our attention difficulties that credit unions in Nebraska project with regards to usage of correct account nomenclature. To reduce the projected hardship, you ask if Nebraska credit unions could be permitted to deplete existing stocks of Truth in Savings disclosure forms beyond the May 22, 1995, compliance date for the Official Staff Interpretations to Part 707, NCUA's Truth in Savings rule. 12 C.F.R. Part 707, App. C (the "Commentary"). As you know, the purpose of Truth in Savings "is to enable credit union members and potential members to make informed decisions about accounts at credit unions." 12 C.F.R. 707.1(b). As explained in the Commentary, NCUA believes that the differences between dividend-bearing share accounts and interest-bearing deposit accounts are critical. See 12 C.F.R. Part 707, App. C. Elimination of member and potential member confusion, and the prevention of the dissemination of inaccurate, misleading, and incorrect information are the very goals, spirit and intent of the Truth in Savings Act and Part 707. 12 U.S.C. 4301(b); 12 U.S.C. 707.1(b). For these reasons, NCUA has decided not to act to extend the compliance date of the Commentary in order that credit unions be allowed to use their multi-year supply of unrevised, incorrect forms. NCUA will permit the amendment of forms to correct deficiencies in already ordered forms. The enclosed letter discusses these issues in-depth. See Letter from me to Rebecca A. Oeltjenbruns, Attorney, Bankers Systems, Inc., Re: Account Disclosure Issues, dated January 12, 1995. If you have any questions, please contact Martin Conrey, Staff Attorney, at (703) 518-6540.

Sincerely,

Richard S. Schulman  
Associate General Counsel

Enclosure

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