

January 7, 1994

Rebecca A. Oeltjenbruns
Attorney
Bankers Systems Inc.
Box 1457
St. Cloud, MN 56302-1457

Re: Use of Term "Earnings"
(Your Letter of December 13, 1993)

Dear Ms. Oeltjenbruns:

You requested an opinion regarding the substitution of the term "earnings" for the terms "dividends" and "interest" for credit union Truth in Savings disclosures. 12 C.F.R. Part 707 ("Part 707"). Both the term "dividends" and "interest" are defined terms in Part 707. See 12 C.F.R. ~707.2(i)("dividend" or "dividends") and ~707.2(p)("interest"), see also Final Rule, 58 Fed. Reg. 50393, 50400-401, 50403 (September 27, 1993). The term "earnings" is not defined or used in Part 707 or in the depository institution account arena. Insofar as credit unions are concerned, the purpose of the Truth in Savings Act ("TISA") is to enable credit union members and potential members to make informed decisions, and meaningful comparisons, about accounts at credit unions by providing uniform disclosures. 12 U.S.C. ~4301, see also 12 C.F.R. ~707.1(b). If the terms and definitions used by credit unions are not maintained member confusion might result subverting the intent of TISA. Therefore, we do not agree that the term "earnings" is a substantive equivalent of the terms "dividends" and "interest" for purposes of Part 707.

Sincerely,

Richard S. Schulman
Acting Associate General Counsel

GC/MEC:sg
SSIC 3500
94-0104