

February 2, 1994

Maggie Barron  
Customer Service  
Share 1 SystemsM  
2750 Colony Park Dr.  
Suite 10  
Memphis, TN 38118-2021

Re: Periodic Statement Disclosures: Aggregations and Corrections (Your Letter of January 7, 1994)

Dear Ms. Barron:

You requested an opinion regarding Part 707 of the NCUA Rules and Regulations. In essence, you asked (1) whether a credit union could aggregate annual percentage yield earned ("APYE") information on a quarterly periodic statement when the dividend periods are monthly; and (2) whether a credit union can make "corrections" on later statements for errors occurring on previous statements. A credit union can aggregate APYE information on a periodic statement when dividend periods occur more frequently than the issuance of the periodic statement. "NCUA is aware that in these situations it is not difficult operationally to coordinate and collate the aggregation of the short dividend periods with the issuance of a periodic statement. Of course, this decision is one to be made by the board of directors of each credit union." Final Rule, 58 Fed. Reg. 50394, 50426.

A credit union should not have any "corrections" to make on statements once a credit union is complying with the Truth in Savings rule. The annual percentage yield ("APY") and APYE must be accurate to within one-twentieth of one percentage point. 12 C.F.R. 707.3(f)(2). An accurate APYE and amount of earned dividends must appear on statement disclosures on accounts offering periodic statements. 12 C.F.R. 707.6. No dividend adjustments are contemplated under the Truth in Savings rule. We do note that no civil liability is incurred if a dividend adjustment results in overpayment. 12 U.S.C. 4310(d). A depository institution may also avoid liability if, within 60 days after it is notified of the error, the institution notifies the account holder of the error and the error is corrected. 12 U.S.C. 4310(g). Because of the complexity of the civil liability

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provisions of the Truth in Savings Act, we suggest that you contact your own legal counsel for a fuller review of the requirements necessary to limit or avoid civil liability under the Truth in Savings Act.

Sincerely,

Richard Schulman  
Acting Associate General Counsel

cc: Karen Kelbly  
Accounting Officer  
Office of Examination and  
Insurance

GC/MEC:sg

SSIC 3500  
94-0117