

August 9, 2006

Ms. Mary Rupp
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Re: Amendments to Part 740-Accuracy of Advertising and Notice of Insured Deposits

Dear Ms. Rupp:

I am taking this opportunity to comment on NCUA's proposed rule amending 12 CFR Part 740 implementing revisions to NCUA's official sign indicating insured status. While the New York State Credit Union League (hereinafter "the League") strongly supports changing the official sign, the proposed 60 day time period for implementing the new logo will needlessly hamper those credit unions that have used the logo extensively in their existing advertising material. Therefore, we suggest a longer phase in period.

In 2005, Congress made several important changes to the share insurance law by both greatly increasing the amount of money to be insured by certain types of accounts and increasing consumer awareness of the full scope of financial protections offered by NCUA. As part of this effort, Congress amended 12 USCA 1785(a)(1)(B) to require that the official NCUA advertising logo tell members that share accounts are backed "by the full faith and credit of the United States Government" and imposing a fine of \$100 per day for every credit union that is not in compliance with this law. This proposed rule also amends the NCUA logo to inform customers that their share accounts are insured "at least" up to \$100,000 reflecting changes that will allow certain accounts to be insured up to \$250,000.

In implementing these changes, NCUA is considering giving credit unions only 60 days following enactment of this proposal to put updated logos on all advertising material and thereafter face fines of \$100 per day for noncompliance. For many credit unions the logo is used much more frequently than simply being placed on the teller's window. In fact, Part 740.5 requires this logo to be present on all of a credit union's advertisements, with certain exceptions. For many credit unions this will mean phasing out existing advertising material and producing new materials long before credit unions planned on replacing existing promotional stocks.

19 British American Boulevard, Latham, NY 12110
P.O. Box 15118 ● Albany, NY 12212-5118
(518) 437-8100 ● (800) 342-9835 ● www.nyscul.org

The League proposes to address this problem in one of two ways. First, NCUA could simply extend the phase-in period from 60 days to six months ensuring that all credit unions have adequate time to phase out old promotional material in a cost effective way. In the alternative, NCUA could extend the phase in period to six months or *whenever the existing supply of material containing the existing NCUA logo is exhausted by a credit union, which ever comes first*. This approach would ensure that those credit unions not burdened by using the new advertising sign do so as soon as possible while giving other credit unions adequate time so as not to be hampered by the new posting requirements.

Thank you very much for the opportunity to comment on this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "W. J. Mellin", written over a thin red horizontal line.

William Mellin
President/Chief Executive Officer