

May 7, 1996
Bruce M. Beaudette, President/CEO
Turbine Federal Credit Union
1616 Broadway
Schenetady, New York 12306-5093

Re: Credit Union Name (Your May 2, 1996, Letter)

Dear Mr. Beaudette:

I am responding to your letter to NCUA General Counsel Robert Fenner regarding your credit union's desire to change its official name. NCUA Region I has informed us that your credit union has not made an official written request to change its name. We recommend that you start that process.

The selection of your credit union's name should be made with care. It has been our recent experience that more and more credit unions are taking steps to protect the proprietary rights to their official names. The result has been disputes and costly litigation.

Chapter I, Section IV of NCUA's "Chartering and Field of Membership Manual" (Interpretative Ruling and Policy Statement 94-1) sets out guidance for name selection. It is the credit union's responsibility to determine whether other credit unions are using the same or similar name (i.e., "First" vs. "1st") and whether the proposed name will cause member confusion (i.e., "Los Angeles" vs "L.A."). It is also advisable that a credit union proposing a new name contact credit unions with potentially conflicting names to determine whether the credit unions serve overlapping memberships, whether member confusion could be an issue, and whether there is any substantive basis for objecting to the proposed name. In many cases we have found that there is no objection to the proposed name. As a last and important step, the credit union should determine if the proposed name could infringe on an existing trademark.

If the NCUA Regional Director is initially provided with sufficient information to alleviate concerns on the effects of assigning a conflicting name, the proposed name will be easier to approve.

Sincerely,

Richard S. Schulman
Associate General Counsel

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