



National Credit Union Administration
Office of Executive Director

TO: NCUA Board **DATE:** July 8, 2008
FROM: Office of the Executive Director **SUBJ:** Changing of NCUA's Seal

ACTION REQUESTED: NCUA Board's approval of the changing of NCUA's seal.

DATE ACTION REQUESTED: July 24, 2008

OTHER OFFICES CONSULTED: Office of the Chief Financial Officer, Office of General Counsel, Office of Public and Congressional Affairs

VIEWS OF OFFICES CONSULTED: Concur

BUDGET IMPACT, IF ANY: \$36,832

RESPONSIBLE STAFF MEMBERS: Larry Fazio, Deputy Executive Director, Office of the Executive Director; Frank Kressman, Staff Attorney, Office of General Counsel

SUMMARY: Staff has been contemplating the need for a new National Credit Union Administration (NCUA) seal for several months. Over the last few years, it has become increasingly apparent our current seal contributes to misconceptions about the nature of NCUA with members of Congress, other government agencies, the media, and the public. Persistent anecdotal feedback about the seal indicates many perceive an association to a trade or lobbying organization, or some other form of private entity, not a federal agency. The current seal does not convey a clear connection to the federal government and the associated confidence and security, as well as the strength of the backing of the full faith and credit of the United States government via federal share insurance. This is particularly apparent when contrasted with seals used by other federal financial institution regulators. The roof and door making up the white portion of the seal (i.e., the "house") is not readily recognizable, with many people confusing it with an arrow. Further, the symbolism intended by the roof and door, and overall design, is too vague to be meaningful to all but a few with knowledge of the history of the seal. In addition, the house carries an association with housing and mortgage lending that is not properly representative of credit unions nor, more importantly, NCUA as the federal regulator and insurer.

Based on our research into seals used by other federal agencies and various designs considered, we recommend the NCUA Board approve submission of the proposed new design (see below) to the President of the United States (President) for approval via Executive Order as NCUA's new official seal. Attachment 1 contains suggested language for the President's Executive Order.

BACKGROUND: The lineage of NCUA dates back to 1934 with the passage of the Federal Credit Union Act (FCUA). The 1934 FCUA created a system of federally chartered credit unions in the United States and established the Federal Credit Union Division (Division) within the Farm Credit Administration. In 1942, the Division was transferred to the FDIC. In 1948, the Division was renamed the Bureau of Federal Credit Unions (Bureau) and relocated to the Federal Security Administration. In 1953, the Bureau was moved to the Department of Health, Education and Welfare. In 1970, the Bureau was renamed as the National Credit Union Administration and made an independent agency. On January 20, 1971, President Nixon signed Executive Order 11580 establishing a seal for NCUA (see attachment 2).¹ In 1979, the NCUA's Administrator was replaced with a three-member Board.

The current seal's design, circled by the title of NCUA, includes 3 main elements:

- A roof intended to symbolize the credit union concept of cooperative protection, shared by the common bond members.
- A door meant to symbolize the opportunity and protection given member's shares through the program of insurance by the federal government.
- All white against a blue background of four sections symbolic of the major advantages of credit union membership: cultivation of thrift, encouragement to save, granting of loans for provident purposes, and budget and consumer counseling.

PROPOSED DESIGN FOR NEW SEAL: The full color and the black and white versions of the proposed new seal are as follows:

Full Color



Black & White



¹ This Executive Order was amended in 1987 for a technical correction to refer to the NCUA Board instead of the NCUA Administrator.

The design of the proposed new seal is intended to symbolize the following:

- The eagle and shield from the Great Seal of the United States clearly indicating NCUA's role as an agency of the federal government. Our research, which has been confirmed by the United States Department of State, indicates that 18 U.S.C. 713(a) is the governing law with respect to the use of the Great Seal of the United States.² This section of the United States Code states that it is a crime to knowingly display any printed or other likeness of the Great Seal of the United States for the purpose of conveying, or in any manner reasonably calculated to convey, a false impression of sponsorship or approval by the Government of the United States or any department, agency, or instrumentality thereof.
- Three blue stars above the eagle representing the three-member NCUA Board.
- The letters "NCUA" in white on a blue background on the crest of the shield, matching the federal share insurance signs that federally insured credit unions are required to display.
- The circle of the seal includes the title of the agency, "National Credit Union Administration." The date "1934" in the lower portion of the circle of the seal reflects the creation of the federal credit union system in 1934 and the long, unbroken line of federal credit union regulators that evolved into NCUA. The two stars in the lower portion of the circle of the seal separate the date "1934" from NCUA's title.

Consistent with the President's initiatives on financial literacy, it is important to help consumers more easily identify mainstream financial service providers. Credit unions are an important element of our mainstream financial system. We believe the new seal will in part help achieve easier consumer recognition of credit unions supervised or insured by NCUA as mainstream financial institutions by better identification that NCUA is a federal agency. Also, the new seal's connection to the NCUA federal share insurance sign will help promote that federally insured shares are backed by the full faith and credit of the United States government. The new seal should also help facilitate interaction of NCUA staff with other government agencies and Congress.

The timing of the proposed change to the NCUA seal is appropriate given the upcoming 75th anniversary of the FCUA on June 26, 2009, and the need to promote confidence in federally insured financial institutions given the current challenges present in the economy.

OTHER CONSIDERATIONS: The new seal will provide NCUA with better branding and consumer recognition as an agency of the federal government. The design of the new seal also incorporates elements of NCUA's official insurance sign for better and more consistent recognition. This will result in various intangible benefits which cannot be readily quantified that accrue to NCUA and the credit union system.

² The State Department is vested with authority over the Great Seal of the United States. We consulted with and shared a copy of the proposed design for the new NCUA seal incorporating the Great Seal with the State Department. Though the State Department does not formally act on use of the Great Seal by other government agencies, they indicated they did not believe our intended use to be unlawful or inappropriate. Further, many other government agencies incorporate into their seals facsimiles of the Great Seal, such as the SEC, the Department of Justice, and the Department of Homeland Security.

Regarding the cost of adopting a new seal, as reflected in attachment 3 there are only a handful of aspects of our facilities that incorporate the seal which would need to be upgraded, and limited aspects of our operations incorporating the seal where a change would necessitate an incremental cost. The total incremental cost is relatively small, estimated to be less than \$37,000. In addition, there is a great degree of flexibility as to the cost of converting to a new seal, as well as the timing of these costs. For example, if we merely replaced the three board members' and the PACA Director's business cards prior to normal replenishment and obtain only two large printed acrylic seals for the most prominent locations in the central office building (the lobby and the board room), we could incur an incremental cost of as little as \$2,248. Given the status of the 2008 budget, we do not anticipate incurring incremental costs this budget cycle unless funds are available after satisfying our contingent needs, and then of course not until after approval of the new seal by the President. The implementation plan to be developed if the new seal is approved will maximize the use of existing supplies and materials and minimize overall costs to the extent feasible.

RECOMMENDED ACTION: Authorize the Executive Director and the Office of Public and Congressional Affairs to seek an Executive Order from the President for approval of the proposed new seal. Authorize the Executive Director to finalize an implementation plan to address new supplies, materials, and facility upgrades that minimize the cost of the change to the seal and address the costs as part of the budget process.

ATTACHMENTS: (1) Proposed Executive Order, (2) Current Executive Order 11580 and (3) Estimated Total Costs of New Seal

Attachment 1

EXECUTIVE ORDER

Establishing a Seal for the National Credit Union Administration

WHEREAS the Board of the National Credit Union Administration (NCUA) has recommended that I approve a new seal of office for the National Credit Union Administration, the design of which accompanies and is hereby made a part of this order, and which is described as follows:

A likeness of the eagle and shield of the Great Seal of the United States, clearly indicating the NCUA's role as an Agency of the Federal government; the eagle in gold and white against a white background.

Six white and seven Old Glory red vertical stripes on the face of the shield, representing the original 13 colonies; the letters "NCUA" in white against a rectangular Old Glory blue background forming the crest of the shield, similar in appearance to the federal share insurance sign displayed by all federally insured credit unions;

Three Old Glory blue stars above the eagle to provide visual balance and representing the three-member Board of the NCUA;

The band forming the circle of the seal in gold; the year "1934" in Old Glory blue incorporated into the circle of the seal at the bottom, referencing the enactment of the Federal Credit Union Act, which established a system of federally chartered credit unions in the United States and the long, unbroken line of federal credit union regulators that evolved into NCUA; the words "National Credit Union Administration" in Old Glory blue incorporated into the remaining upper portion of the circle of the seal; a single white star on each side of "1934" in the circle of the seal, separating the year from the name of the Agency;

AND WHEREAS such a seal is of suitable design and appropriate as the official seal of the National Credit Union Administration:

NOW THEREFORE, by virtue of the authority vested in me as President of the United States, I hereby approve such seal as the official seal of the National Credit Union Administration, replacing the seal established by Executive Order 11580 on January 20, 1971.

Attachment 2

THE PRESIDENT

971

EXECUTIVE ORDER 11580

Establishing a Seal for the National Credit Union Administration

WHEREAS the Administrator of the National Credit Union Administration has caused to be made, and has recommended that I approve, a seal of office for the National Credit Union Administration, the design of which accompanies and is hereby made a part of this order, and which is described as follows:

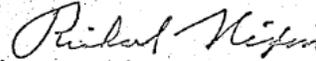
A ROOF symbolic of the credit union concept of cooperative protection, shared by the common-bond members of all Federal credit unions since the chartering of the first one in 1934;

A DOOR symbolic both of opportunity and of the protection given members' shares through a newly instituted program of insurance by an agency of the Federal Government;

ALL in white, against a blue background of four sections symbolic of the major advantages of credit union membership: cultivation of thrift, encouragement to save regularly, granting of loans for provident purposes at a reasonable interest rate, and budget and consumer counseling; circled by the title of the National Credit Union Administration;

AND WHEREAS it appears that such a seal is of suitable design and appropriate for adoption as the official seal of the National Credit Union Administration:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, I hereby approve such seal as the official seal of the National Credit Union Administration.



THE WHITE HOUSE,
January 20, 1971



[FR Doc.71-970 Filed 1-20-71;12:18 pm]

Attachment 3

Additional Estimated Total Costs of New Seal

Additional Cost	Item	Comments
\$0	Website	Replace old image with new one.
\$0	Publications	No extra cost. Publications will be updated with new seal on next scheduled reprint.
\$0	Stationery	No extra cost. Will use up existing supply on internal and routine external correspondence. Incorporate new seal on ongoing restocking purchases already budgeted for (e.g., stationery, note cards, and other paper products).
\$972	Business Cards	Board members (6 full color @ \$62) and senior executives (40 single color @ \$15 a box) to receive new business cards. New hires and promotions are already budgeted for, so no extra cost. All other staff will exhaust their current supply and receive new seal on resupply orders. Note: If we did issue new business cards to all employees, this would cost \$15,000.
\$35,860	Central and Regional Office Facilities	<ol style="list-style-type: none"> 1. Replace metal seal hanging in board room, metal seal hanging in Chairman’s conference room, metal seal hanging behind board receptionist station, and metal seal hanging in lobby over security guard desk with full color new seal. (\$16,000: 4 @ \$4,000 for cast aluminum – alternatively acrylic is less expensive @ \$1,000 for a total of \$4,000) 2. Obtain 11 podium seals, digital print on acrylic. (\$660) 3. Obtain two large acrylic seals for each region (\$10,000). 4. Order 6 new NCUA flags; 1 for each board office, 1 for the board room, 1 for lobby, and 1 photo-op roving flag. (\$6,000) 5. Rugs with NCUA seal in lobby. Replace with generic rugs when they are worn out. (\$0)

		<p>6. Remove the decal seal (it is <u>not</u> etched) on the glass doors to the board offices area on the 7th floor and the glass doors to Region 2. (\$200)</p> <p>7. Entrances. Of the 3 exterior entrances, only 2 have the old seals (two on each). The seals are imprinted into the stone over the entrance. The Duke street entrance is barely visible given the large metal awning over the entrance. The Diagonal road entrance is for staff only and relatively indistinct. No plans to adjust these at this time given their limited perceptibility.</p> <p>8. Remove the 2 small metal seals mounted on posts on the Duke-Diagonal marquee. (\$500)</p> <p>9. There is a subtle version of the old seal in marble in the floor in the lobby. This looks like part of the black and white pattern for the floor and is not very noticeable. Thus, there would be no plans to change this. (\$0)</p> <p>10. Replace the board member and OED office door signs with the new seal. For all other staff offices, purchase stickers of the new seal to place over the existing seal on the office door signs. (\$2,500)</p>
\$0	On-the-Spot Awards	No extra cost. Will use up existing supply and incorporate new seal on purchases going forward.
\$0	Recruiting Materials	No extra cost. OHR already budgeted to replace recruiting materials in 2008. Placement of the order is on hold pending approval of the new seal. Therefore, the new seal can be incorporated into the already planned expenditure.
\$36,832	Total	
\$0	Credit Union Impact	None. The NCUA seal is not on the NCUA insurance sign. Credit unions are not authorized to use NCUA's seal, only the insurance signs.