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Accuracy of Advertising and Notice of Insured Status

Television and Radio

The decision to change the maximum length for exemption back to thirty seconds seems to be based on two arguments. First, the Board feels that the regulation has “disrupted the balance” between banks and FICUs. And secondly, the Board feels, based on testimony from FCIUs, that making effective advertisements became more difficult after the regulation change shortened the maximum length for exemption to fifteen seconds. While I agree with the first line of reasoning, I do not agree with the second.

It is important to make sure that the government is not passing regulations that would unfairly benefit one company over another without just cause. And in this case, there seems to be no reason for FCIUs to have different maximum lengths for exemption than banks. However, because I do not think that shortening the maximum length for exemption has made it more difficult to create effective advertisements, I also do not think that this regulation has placed an unfair burden on FICUs as compared to banks. In other words, while I agree with the first line of reasoning in theory, in this particular case, the uneven treatment of FCIUs and banks is only relevant if the second line of reasoning is correct.

The second line of reasoning—the argument that shortening the maximum length for exemption has made it more difficult to advertise effectively—is negated for television because of the option to display the sign instead of reading the statement. The sign could be placed anywhere during a television advertisement near the bottom of the screen. This includes the end of the advertisement with FCIUs generally display their logo for multiple seconds. And the addition of a fourth statement option which is short enough to be read within roughly one second does not take up substantial air time on either radio or television.

In short, I do not agree with the decision to revert back to the previous thirty second maximum length for exemption.

Statement Options

I support the addition of a fourth, shorter version of the NCUA statement on the grounds that it provides more flexibility to FCIUs who want to advertise. The new statement, “Insured by NCUA,” provides the same basic information to the person viewing or hearing the advertisement. I see no downside to the additional statement option, and the shorter length will be useful for advertising on media that have character limits—which I will discuss in the next section.

Social Media

Social media's content limitations are problematic for the current system. I would suggest that in the case of Twitter, because of the character limit, individual advertisements should not be required to include the statement. In lieu of this, the shortest version of the statement should be included in FCIU account bios.

For Instagram, the statement should also be in the account bios, but there is no need to include the statement or sign in the posted photos. However, the statement should be included in each photo caption, which do not have character limits. And the character limit for Facebook posts is so large that it is not unreasonable to expect the statement to be at the end of posts.