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Submitted *via* email: regcomments@ncua.gov

December 1, 2017

Gerard S. Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

RE: Accuracy of Advertising and Notice of Insured Status - RIN 3133-AE78

Dear Mr. Poliquin:

The Credit Union National Association (CUNA) appreciates the opportunity to comment on the proposed Accuracy of Advertising rule. CUNA represents America's credit unions and their 110 million members.

CUNA supports the National Credit Union Administration (NCUA) proposal to revise the current advertising rule to provide regulatory relief and put credit unions on an equal playing field with banks regarding advertising in traditional media. The NCUA advertising rule requires federally-insured credit unions to use NCUA's "official advertising statement," which can be satisfied in one of three current forms: an official long-form statement—"This credit union is federally insured by the National Credit Union Administration"; a shorter version—"Federally insured by the NCUA"; or an official sign displayed in advertisements. The proposed rule would provide for a new, fourth category of permissible statement containing, "Insured by NCUA."

Whereas credit unions must presently include the official advertising statement in radio and television advertisements exceeding 15 seconds in duration, Federal Deposit Insurance Corporation (FDIC)-regulated banking institutions are not required to include the similar-FDIC insurance statement unless such advertisements exceed 30 seconds, rendering the NCUA rule for credit unions more restrictive than that which is applied to banks. Federally-insured credit unions are also required to include the advertising statement on statements of condition that must be published, while banks are exempt from this requirement. The proposed rule seeks to rectify these regulatory inequalities, and provide print, radio, and television advertising parity among banks and credit unions.

Presently, NCUA's advertising rule applies to conventional channels such as print media, radio, and television advertisements, with an exception for radio and television ads shorter than 15 seconds. NCUA requested comments regarding whether the regulation should address modern communication platforms, including but not limited to social media, mobile banking, short



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message service (SMS), chats, tweets, and feeds. CUNA supports an expansion of the exemption to apply to modern social media communications, which are increasingly used to communicate with both credit union member-owners and consumers writ-large, and further believes that such application of the rule would satisfy compliance for these types of messaging platforms—whereby use of the official NCUA sign or “Insured by NCUA” statement would be sufficient notice to comply with the advertising statement requirement.

The NCUA’s proposed revisions to the advertising rule would serve to provide regulatory and cost relief to small credit unions. As more than 40% of all credit unions in the United States hold fewer than \$20 million in assets, a reduction in compliance costs involved with additional publication requirements and longer disclaimers in advertisements is a tangible benefit—one that for-profit banking institutions have disproportionately enjoyed since the FDIC promulgated advertising rule revisions in 2011. CUNA supports NCUA’s regulatory relief and banking parity efforts to help credit unions serve their members’ cooperative financial interest. Indeed, CUNA would have preferred this action to have been undertaken earlier, in the intervening years since 2011 that banks have enjoyed fewer advertising restrictions than credit unions.

Thank you for the opportunity to comment on this proposed rule. If you have questions concerning this letter, please feel free to contact me at 202.626.7627.

Sincerely,

Monique Michel
Senior Director of Advocacy & Counsel
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