



December 4, 2017

Gerard S. Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314- 3428

RE: Accuracy of Advertising and Notice of Insured Status

Dear Mr. Poliquin,

The Credit Union Association of the Dakotas (CUAD) represents 66 state and federally chartered credit unions in the states of North Dakota and South Dakota, whose assets total over \$6 billion and who have more than 450,000 members. CUAD appreciates the opportunity to provide comment to the National Credit Union Administration (NCUA) regarding proposed changes to 12 CFR Part 740 Accuracy of Advertising and Notice of Insured Status.

CUAD thanks and fully supports the NCUA steps to provide regulatory relief to federally insured credit unions (FICUs).

The NCUA proposes to narrow when the Official Advertising Statement (statement) is required under 12 CFR 740.5(a), specifically removing requirements that the statement must appear on annual reports and statements of condition required to be published by law. CUAD supports this change and agrees with the NCUA that requiring the statement on annual reports and statements of condition is unnecessary.

A forth version of the statement is also proposed by the NCUA. Currently, 12 CFR 740.5(b) provides three version of the statement, namely: "This credit union is federally insured by the National Credit Union Administration;" "Federally insured by NCUA;" or a reproduction of the official sign, as described in §740.4(b). The NCUA proposes to also allow "Insured by NCUA" to be utilized by FICU as a statement.

12 CFR 740.5(b) would continue to require that, "The official advertising statement must be in a size and print that is clearly legible and may be no smaller than the smallest font size used in other portions of the advertisement intended to convey information to the consumer." Credit unions have expressed concern to CUAD regarding this minimum size restriction, as it is tied to the smallest



font used in the advertisement. For example, if a short print ad appeared in 16 point font, the statement would also have to be 16 point font, as that is the smallest font used in the advertisement. However, the statement could easily appear in a smaller font such as 10 and still be “clearly legible” as required in the regulation. CUAD proposes that the NCUA adopt a provision that the statement may be no smaller than the smallest font used in the other portions of the advertisement, or a minimum of 10 point font, whichever is smaller.

The NCUA proposes to increase the exemption threshold for advertisements by radio and television from fifteen second to thirty seconds. CUAD supports the increase in this threshold under 12 CFR 740.5(c) regarding advertisements that need not include the official advertising statement.

The NCUA also seeks comment regarding advertising and social media. “The current part 740 addresses conventional forms of advertising such as print, radio, and television. The Board requests comment about whether the regulation should be modified to facilitate the trend in advertising via new types of social media, mobile banking, text messaging and other digital communication platforms, including Twitter and Instagram.” 82 FR 46174

CUAD appreciates the NCUA’s willingness to facilitate advertising via social media platforms. Unlike print, radio and television, social media viewers are not limited to the information presented. Consumers receiving information, including advertisements, via social media have the ability to access more information with a simple click on a link. Therefore, CUAD recommends that any advertisements appearing on social media be excluded from requiring the official advertising statement, provided said statement appears within one-click of the advertisements.

Thank you for this opportunity to share our comments.

Respectfully,

A handwritten signature in black ink that reads 'Jeffrey Olson'.

Jeffrey Olson
CEO/President

A handwritten signature in black ink that reads 'Amy Kleinschmit'.

Amy Kleinschmit
VP of Compliance