



December 4, 2017

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

Sent via E-mail to: [regcomments@ncua.gov](mailto:regcomments@ncua.gov)

**Re: Comments on the National Credit Union Administration's proposed rule for Accuracy of Advertising and Notice of Insured Status**

This letter represents the views of Firstmark Credit Union (Firstmark) regarding the National Credit Union Administrations (NCUA) request for comment on the *Accuracy of Advertising and Notice of Insurance Status* proposed rule. Firstmark is San Antonio's oldest state-chartered credit union and we support the NCUA's proposed rule to provide regulatory relief to federally insured credit unions. Providing multiple iterations of the NCUA logo, advertising statements, and certain exemptions allows credit union's small and large to stay compliant when promoting financial solutions to its members.

**Background:**

The Federal Credit Union Act requires each federally insured credit union to display the NCUA's "official sign" regarding National Credit Union Share Insurance Fund insurance of the credit union's share accounts. The sign includes language that the coverage is backed by the full faith and credit of the United States government. Regulations implementing this statutory requirement can be located at 12 CFR part 740.

Part §740 requires credit unions to display both NCUA's official sign and the advertisement statement that federally insured credit unions must make when advertising. In the same definition, part §740 prohibits any credit union from using "advertising or making any representation which is inaccurate or deceptive or which misrepresents its services, contracts, financial condition, of the Truth in Savings requirements."

**Regulatory Relief Support:**

Credit unions vary significantly by institution asset size, ranging from volunteer operations with a handful of members to institutions with assets worth several billion dollars and hundreds of



thousands of members. Firstmark currently serves over 100,000 members with over \$1B in assets. It has been designated a low income financial cooperative by the NCUA due to its diverse membership. This diversity represents the city of San Antonio, Bexar County, and the adjacent counties that make up Firstmark's field of membership.

Firstmark Credit Union has demonstrated a longstanding commitment to compliance of all rules and regulations. We regularly review and evaluate compliance levels for all departments within the credit union. We believe the proposed rule actually reduces some of the regulatory burdens that are placed on credit unions. We are supportive of the proposed rule that, in part:

- §740.5(b) - Creates a fourth short statement for the official advertising statement, "Insured by NCUA"; or
- §740.5(b) – a production of the official sign as described in §740.4(b) may be used in lieu of the other statements included in this section;
- §740.5(c) - Extends the exemption from the official statement to radio or TV advertisements of 30 seconds or less;

Firstmark believes that its members (and future) members should have confidence their finances are secured by the NCUA, no different than *Backed by the FDIC* banks are required to advertise. We believe the regulatory statements, including those promoted within this rule should be upheld either in writing or visually on print and websites. YouTube, certain social media platforms, and texting can present certain regulatory challenges. YouTube provides an advertising vehicle that many credit unions use to tell its story and promote financial solutions. Typically, these TV-like ads are under 30 seconds and would be exempt under this proposed rule. However, considering the brevity texting as well as the confined space that certain social media outlets such as Twitter and Instagram, it would be difficult to fully comply.

We recommend that the NCUA further expand the "one click<sup>1</sup>" rule for credit union sponsored ads. For example, sponsored ads can apply to LinkedIn, SnapChat, internet radio such as Pandora, and other social platforms. Progressive credit unions who focus on millennials or GenZ (Centennials) use these tools to promote checking and/or savings solutions. The "one click" rule should be applied so that the prospective/current member is directed to a landing page that clearly advertises the NCUA language. The same can hold true to credit unions that offer approved text features to its members. This would keep the credit union in compliance with the regulation while easing the advertising burden.

Thank you for considering our comments. If you have any questions, please contact me at 210.342.8484.

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<sup>1</sup> 12 CFR Part 1030 (Regulation DD) and 12 CFR Part 226 (Regulation Z)



Sincerely,

A handwritten signature in black ink, appearing to read "Mark B. Leita".

Mark B. Leita  
Vice President, Legislative Affairs  
Firstmark Credit Union  
[markl@firstmarkcu.org](mailto:markl@firstmarkcu.org)