

November 5, 2001

Roger Youngs, CEO/President
Finance Center Federal Credit Union
P.O. Box 26501
Indianapolis, Indiana 46226-0501

Re: Use of Trade Name Without Words "Federal Credit Union."

Dear Mr. Youngs:

You have asked whether it is permissible for a federal credit union (FCU) to advertise the credit union's financial services by using a trade name that does not include the words "federal credit union." Yes, it is permissible.

NCUA requires the last three words in every FCU's name to be "Federal Credit Union." Interpretive Ruling and Policy Statement 99-1, Chartering and Field of Membership Manual (IRPS 99-1), ch. 1, §VI, as amended by IRPS 00-1 and IRPS 01-1. We interpret this provision as applying to the FCU's official charter name.

As you know, we discussed the issue of use of a trade name in the enclosed letter to Ron Martin from me, dated September 22, 1997. We stated "an FCU may use a trade name in advertising, such as signs, as long as the advertising complies with the provisions of Part 740 of the NCUA regulations. Briefly summarized, this means that the advertising must not be inaccurate or deceptive or misrepresent a credit union's services." In that letter, we were considering a particular, proposed, trade name and trademark that was going to include the phrase "a federal credit union." We did not state in that letter and do not believe that a federal credit union must include the words "federal credit union" in a trade name. We do want to highlight two points we made in our letter to Ron Martin: (1) federal credit unions must use their official name in communications with the NCUA and other government agencies and in any documents that purport to bind the FCU to legal responsibilities or obligations and (2) it is the responsibility of any federally-insured credit union that uses a trade name to ensure that its use will not violate the rights that another party may have in the name.

Sincerely,

Sheila A. Albin
Associate General Counsel

GC/RMM:bhs
SSIC 3500
01-0936
Enclosure

