

From: [Beverley Rutherford](#)
To: [Regulatory Comments](#)
Cc: [Beverley Rutherford](#)
Subject: Virginia Credit Union Comments on Proposed Rule 740, Accuracy of Advertising and Insured Status
Date: Friday, February 11, 2011 2:36:23 PM

Thank you for the opportunity to comment on your proposed rule regarding the use of the advertising statement under Part 740. I am responding on behalf of a federally insured, state chartered credit union located in Virginia, with over 2 billion in assets and over 200,000 members.

While we support and agree that members should be aware of their accounts being federally insured, we have concerns with the proposal as written. We believe there is no need to amend Part 740 as the rules currently in effect are adequate to ensure members are aware of their account's insured status. However, if NCUA chooses not to withdraw the proposal in its entirety, we have the following comments.

- We do not support requiring the official advertising statement for radio or TV advertisements that are no more than 30 seconds long or for annual reports or other statements of condition required to be published by law. We use all forms of advertising, but have found radio to be a practical, cost-effective way to advertise the credit union. If finalized, this would essentially limit the use of this and television forms of advertising. Some of our radio advertising is on public radio, and we have sponsor type ads. Our concern would be the time it takes to state the insured status would make these radio ads impractical to use as a marketing tool. For annual reports and other statements of condition, these do not reflect individual accounts but rather the credit union as a whole, thus in our opinion making this requirement unnecessary.
- We are also concerned with NCUA's proposed definition of "advertisement." While we understand the definition of advertisement would include any promotion of a share account, this proposed definition would appear to be required for virtually any credit union account or service, whether loan, electronic service or mere mention of the credit union name. We recommend the definition be clarified that it includes a commercial message, in any medium, that is designed to attract public attention or patronage to a share account.
- We would appreciate a minimum of six months before the rule is effective to allow credit unions that have currently recorded contracts for radio and TV ads to expire.

Please feel free to contact me should you have any questions about our comments.

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