

Part 740 Advertising

§ 740.0 Scope.

This part applies to all federally-insured credit unions. It prescribes the requirements with regard to the official sign insured credit unions must display and the requirements with regard to the official advertising statement insured credit unions must include in their advertisements. It also prescribes a general requirement that all other kinds of advertisements must be accurate.

§ 740.1 Definitions.

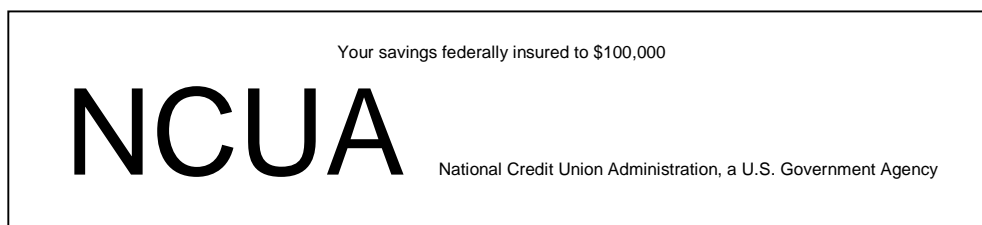
- (a) "Account" or "accounts" as used in this Part means share, share certificate or share draft accounts (or their equivalent under state law, as determined by the Board in the case of insured state credit unions) of a member (which includes other credit unions, public units, and non-members where permitted under the Act) in a credit union of a type approved by the Board which evidences money or its equivalent received or held by a credit union in the usual course of business and for which it has given or is obligated to give credit to the account of the member.
- (b) "Insured credit union" as used in this Part means a credit union insured by the National Credit Union Administration (NCUA).

§ 740.2 Accuracy of Advertising.

No insured credit union shall use any advertising (which includes print or broadcast media, displays and signs, stationery, and all other promotional material) or make any representation which is inaccurate or deceptive in any particular, or which in any way misrepresents its services, contracts, or financial condition, or which violates the requirements of § 707.8 of this subchapter, if applicable. Any advertising that mentions share or savings account insurance provided by a party other than the NCUA must clearly explain the type and amount of such insurance and the identity of the carrier, and must avoid any statement or implication that the carrier is affiliated with the NCUA or the Federal government.

§ 740.3 Mandatory Requirements with Regard to the Official Sign and its Display.

- (a) Each insured credit union shall continuously display the official sign described in paragraph (b) at each station or window where insured account funds or deposits are usually and normally received in its principal place of business and in all its branches 30 days after its first day of operation as an insured credit union.
- (b) The official sign shall be as depicted below, having a blue background with white lettering:



- (1) All insured credit unions will automatically be furnished an initial supply of official signs, at no cost, from the Administration for compliance with paragraph (a) of this section. If the initial supply is not adequate, an immediate request for additional signs must be made. Any credit union that does not have an adequate supply but requests additional signs from NCUA shall not be deemed to have violated paragraph (a) unless the credit union shall omit to display the signs after receipt thereof.
- (2) Additional signs reflecting variations in color, materials and size, for use other than as prescribed in paragraph (a) of this section may be procured by insured credit unions from commercial suppliers.
- (c) An insured credit union shall not receive account funds at any teller's station or window where any non-insured credit union or institution receives deposits. Excepted from this prohibition are credit union centers, service centers, or branches servicing more than one credit union where only some of the credit unions are insured by the NCUA. In such instances there must be placed immediately above or beside each official sign another sign stating "Only the following credit unions serviced by this facility are federally insured by the NCUA " (the full name of each credit union insured will follow the word NCUA). The lettering will be of such size and print to be clearly legible to all members conducting share or share deposit transactions.
- (d) The Board may require any insured credit union, upon at least 30 days' written notice, to change the wording of its official signs in a manner deemed necessary for the protection of shareholders or others.
- (e) For purposes of this section, the terms "branch," "station," "teller station," and "window" do not include automated teller machines or point of sale terminals.

§ 740.4 Mandatory Requirements with Regard to the Official Advertising Statement and Manner of Use.

- (a) Each insured credit union shall include the official advertising statement, prescribed in paragraph (b) of this section, in all of its advertisements except as provided in paragraph (c) of this section.
 - (1) An insured credit union must include the official advertising statement in its advertisements thirty (30) days after its first day of operations as an insured credit union unless it has been granted an extension by the Regional Director.
 - (2) In cases where advertising copy not including the official advertising statement is on hand on the date the requirements of this section become operative, the insured credit union may cause the official advertising statement to be included by use of overstamp or by other means until the supplies are exhausted.
- (b) The official advertising statement shall be in substance as follows: "This credit union is federally insured by the National Credit Union Administration. " The short title "Federally insured by NCUA" and a reproduction of the official sign may be used by insured credit unions at their option as the official advertising statement. The official advertising statement shall be of such size and print to be clearly legible.
- (c) The following advertisements need not include the official advertising statement:
 - (1) Statements of condition and reports of condition of an insured credit union which are required to be published by State and Federal law or regulation;

- (2) Credit union supplies such as stationery (except when used for circular letters), envelopes, deposit slips, checks, drafts, signature cards, account passbooks, and non-insurable certificates, etc.;
 - (3) Signs or plates in the credit union office or attached to the building or buildings in which the offices are located;
 - (4) Listings in directories;
 - (5) Advertisements not setting forth the name of the insured credit union;
 - (6) Display advertisements in credit union directories, provided the name of the credit union is listed on any page in the directory with a symbol or other descriptive matter indicating it is insured;
 - (7) Joint or group advertisements of credit union services where the names of insured credit unions and non-insured credit unions are listed and form a part of such advertisement;
 - (8) Advertisements by radio which do not exceed thirty (30) seconds in time;
 - (9) Advertisements by television, other than display advertisement, which do not exceed thirty (30) seconds in time;
 - (10) Advertisements which are of the type or character making it impractical to include thereon the official advertising statement, including but not limited to, promotional items such as calendars, matchbooks, pens, pencils, and key chains;
 - (11) Advertisements which contain a statement to the effect that the credit union is insured by the National Credit Union Administration, or that its accounts and shares or members are insured by the Administration to the maximum of \$100,000 for each member or shareholder;
 - (12) Advertisements which do not relate to member accounts, including but not limited to:
 - (i) Advertisements relating specifically and only to the making of loans by the credit union or loan services;
 - (ii) Advertisements relating specifically and only to safekeeping box business or services;
 - (iii) Advertisements relating specifically and only to traveler's checks on which the credit union issuing or causing to be issued the advertisement is not primarily liable; and
 - (iv) Advertisements relating specifically and only to loan life insurance.
- (d) The non-English equivalent of the official advertising statement may be used in any advertisement: Provided, That [sic] the translation has had the prior written approval of the Regional Director.