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June 7, 2005

Proposed Rule for FDICIA Disclosures, Matter No. R411014
Federal Trade Commission/Office of the Secretary.
Room H-159 (Annex A)
600 Pennsylvania Ave NW
Washington, DC 20580



Secretary:

Monterey Credit Union, with 21,500 members, converted from federal to state chartered and from federal to private insurance in September 1999. We meticulously followed the comprehensive requirements of all applicable National Credit Union Administration (NCUA) rules in doing so.

Specifically, we informed each member in writing that the credit union was soliciting their votes on each issue and that an approved conversion would result in members' account no longer being federally insured or guaranteed by any governmental agency, federal or state. Our process and all election materials were approved and/or accepted by NCUA and California's Department of Financial Institutions (DFI).

Since converting to private insurance, Monterey Credit Union has made every effort to comply with the requirements of consumer disclosure under the FDIC Improvement Act of 1991, including obtaining signed acknowledgements of disclosure from all new members. In fact, our practice has been to "over-disclosure" in many areas including ATM deposit envelopes.

We believe that we have both adequately informed and conspicuously disclosed to our members their insured status. The proposed "100% requirement provision" would be unreasonable, impractical, and unnecessarily costly to implement.

Additionally, we are very concerned over the lack of definition for "all advertising" in the proposed rule. We see the logic in posting appropriate disclosure in member newsletters and other materials that promote deposit accounts or display current or promotional interest rates on savings. However, we see no reason to include such disclosures on loan promotional materials, such as Credit Card or Home Loan advertisements. To require disclose notices where it is not physically conducive (pens, caps, shirts, etc) or exterior signage is impractical, anti-competitive and ineffective.

We ask that you consider our concerns and those of other commenters, as you prepare your final regulation.

Sincerely,


Stewart Fuller
CEO