



July 20, 2004

Federal Trade Commission  
Office of the Secretary  
Room H-159 (Annex Q)  
600 Pennsylvania Ave.  
Washington, DC 20580

Re: FACT Act Affiliate Marketing Rule,  
Matter No. R411006

Dear Sir or Madam:

Navy Federal Credit Union provides the following comments in response to the Federal Trade Commission's (FTC) proposal to implement Section 214 of the FACT Act. Navy Federal is the nation's largest natural person credit union with over \$21 billion in assets and 2.4 million members. While Navy Federal is regulated by the National Credit Union Administration, the FTC's proposed rule would impact information exchanges with our wholly-owned affiliate.

Section 214 would give consumers the opportunity to prohibit affiliates from using certain financial information to make or send marketing solicitations. The affiliates would be required to offer consumers the opportunity to "opt-out" of the solicitation. The proposed rule implies that the provider, and not the recipient of the information, has primary responsibility for sending the notice and opt-out form. We believe that Section 214 does not specify which affiliate should take responsibility for providing the notice and opportunity to opt out and that this provision is written broadly enough that either affiliate could be responsible for providing the notice. We encourage FTC to recognize the flexibility of the statute and clarify its final rule to allow either entity to satisfy the notice requirements.

Navy Federal Credit Union appreciates the opportunity to comment on the Federal Trade Commission's proposal to implement Section 214 of the FACT Act to give consumers the opportunity to prohibit affiliates from using certain information to make or send marketing solicitations.

Sincerely,

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

Brian L. McDonnell  
President/CEO

BLM/pjm