



California
CREDIT UNION LEAGUE

NEVADA
CREDIT UNION LEAGUE

June 5, 2009

Federal Trade Commission
Office of the Secretary
Room H-135 (Annex A)
600 Pennsylvania Avenue, N.W.
Washington, DC 20580

Dear Mr. Secretary:

Re: Supplemental Proposed Rule for FDICIA Disclosures, Matter No. R411014

On behalf of the California and Nevada Credit Union Leagues, I appreciate the opportunity to comment on the Federal Trade Commission's (FTC) proposed rule intended to ensure that the FTC's requirements regarding disclosures for non-federally insured depository institutions are consistent with the amendments passed by Congress in the Financial Services Regulatory Relief Act of 2006 (FSRRA). By way of background, the California and Nevada Credit Union Leagues (Leagues) is the only state trade association for credit unions in California, representing the interests of more than 400 of the State's credit unions and their 10 million members. California and Nevada are also home to 25 of the nation's 200 privately-insured credit unions.

The Leagues thank the FTC for initiating this conforming rulemaking, and support all the provisions of the proposed rule, save one. Section 320.4 (*Disclosures in Advertising and on its Premises*) states:

“(a) *Required Disclosures*. Depository institutions lacking federal deposit insurance must include clearly and conspicuously a notice disclosing that the institution is not federally insured: (1) at each station or window where deposits are normally received, its principal place of business and all its branches where it accepts deposits or opens accounts (excluding automated teller machines or point of sale terminals), and on its main Internet page....” [Emphasis added.]

While the Leagues believe that from a fair and realistic standpoint the phrase “all its branches” should mean only those branches actually owned by a privately-insured credit union, in the Supplementary Information to the proposal the FTC states “...the fact that the shared facility may not be owned by the ...privately insured institution or may not be subject to FTC jurisdiction does not control the ability of the institution itself to ensure that the disclosures are made.” As a result, it appears that the proposal would require privately insured credit unions to post the “This

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institution is not federally insured” signage in shared branch facilities owned by a federally insured credit union. This requirement seems unreasonable to implement, much less enforce. Therefore, we urge the FTC to define “branch” in the proposal to mean only those owned, leased, or under direct control of the privately-insured credit union.

In closing, the California and Nevada Credit Union Leagues thank the FTC for the opportunity to share our views on the proposal. We appreciate your consideration of our comments.

Sincerely,


Bill Cheney
President/CEO
California and Nevada Credit Union Leagues