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National Association of Federally-Insured Credit Unions

December 4, 2017

Mr. Gerald S. Poliquin
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Re: Comments on Notice of Proposed Rulemaking Regarding Accuracy of Advertising
RIN 3133-AE78

Dear Mr. Poliquin,

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), the only national trade association focusing exclusively on federal issues affecting the nation's federally-insured credit unions, I would like to share with you our thoughts on NCUA's proposed rule regarding accuracy of advertising. NAFCU commends NCUA for revisiting certain outdated provisions in Part 740 of its rules with the intention of affording credit unions greater flexibility in advertising. Although the changes are modest, NAFCU appreciates any effort aimed at relieving credit unions of regulatory burden.

The proposed variant of the official advertising statement, "insured by NCUA," is a welcome improvement to NCUA's rules that will accommodate more economical advertisements, the cost of which is often measured in terms of length or duration. Likewise, extending the duration of radio and television advertisements included in 12 CFR 740.5(c) will also help reduce costs. NAFCU believes that these measures will allow credit unions to develop advertisements that are more cost effective, thus improving engagement with existing and prospective members. In addition, NAFCU supports the elimination of the requirement to include the official advertising statement on statements of condition required to be published by law.

To accommodate advertising on social media and text messaging platforms, many of which impose unique formatting constraints, NAFCU urges NCUA to exempt social media "posts" and text messages from the requirement to display the official advertising statement. Social media posts and text messages can contain images or text that mirror the substance of radio or television advertisements; yet, these types of advertisements are not afforded commensurate flexibility. NAFCU believes that the exemption afforded to brief radio and television ads should be extended to social media and text message advertisements.

As an alternative to exempting social media posts and text messages from the requirement to display the official advertising statement, NCUA might also consider a "one click away" rule. Such a rule would specify that social media or text message advertisements that link to a webpage containing the official statement will fall under Section 740.5(c). This alternative would spare credit unions the difficulty of including the official statement in advertisements that must conform to specific character lengths, image resolution limits, or other formatting requirements. NAFCU believes that if the official statement is one click away then the notice of insured status is adequately disclosed.

NAFCU appreciates the opportunity to comment on NCUA's proposal to amend its official advertising rule. The increased time limits for radio and television advertisements included in Section 740.5(c), along with the new iteration of the official advertising statement, are welcome changes that will grant additional flexibility to credit unions and potentially reduce costs. If NAFCU can be a source of any additional information relevant to the proposed rule, please do not hesitate to contact me at 703-842-2266, or amorris@nafcu.org.

Sincerely,

A handwritten signature in black ink that reads "Andrew Morris". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Andrew Morris
Regulatory Affairs Counsel