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## Title 12 – Banks and Banking

### Chapter VII – National Credit Union Administration

#### Subchapter A – Regulations Affecting Credit Unions

#### Part 740 Accuracy of Advertising and Notice of Insured Status

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## PART 740—ACCURACY OF ADVERTISING AND NOTICE OF INSURED STATUS

**Authority:** 12 U.S.C. 1766, 1781, 1785, and 1789.

**Source:** 68 FR 23382, May 2, 2003, unless otherwise noted.

**Editorial Note:** Nomenclature changes to part 740 appear at 85 FR 62213, Oct. 2, 2020.

### § 740.0 Scope.

This part applies to all federally insured credit unions. It prescribes the requirements for 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 requires that all other kinds of advertisements be accurate. It also establishes requirements for advertisements of excess insurance.

### § 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 nonmembers 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) **Advertisement** as used in this part means a commercial message, in any medium, that is designed to attract public attention or patronage to a product or business.
- (c) **Insured credit union and federally insured credit union** as used in this part mean a credit union with National Credit Union Administration share insurance.

- (d) *Non-federally insured credit union* as used in this part means a credit union with either no account insurance or with primary account insurance provided by some entity other than the National Credit Union Administration.

[68 FR 23382, May 2, 2003, as amended at 74 FR 9348, Mar. 4, 2009; 76 FR 30523, May 26, 2011]

### **§ 740.2 Accuracy of advertising.**

No insured credit union may use any advertising (which includes print, electronic, or broadcast media, displays and signs, stationery, and 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. This provision does not prohibit an insured credit union from using a trade name or a name other than its official charter name in advertising or signage, so long as it uses its official charter name in communications with NCUA and for share certificates or certificates of deposit, signature cards, loan agreements, account statements, checks, drafts and other legal documents.

### **§ 740.3 Advertising of excess insurance.**

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.

### **§ 740.4 Requirements for the official sign.**

- (a) Each insured credit union must continuously display the official sign described in paragraph (b) of this section at each station or window where insured account funds or deposits are 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. Each insured credit union must also display the official sign on its Internet page, if any, where it accepts deposits or open accounts, but it may vary the font sizes from that depicted in paragraph (b) of this section to ensure its legibility.
- (b) The official sign shall be as depicted below:

**Your savings federally insured to at least \$250,000  
and backed by the full faith and credit of the United States Government**

# **NCUA**

**National Credit Union Administration, a U.S. Government Agency**

- (1) NCUA will automatically supply all insured credit unions an initial supply of official signs with a blue background and white lettering at no cost for compliance with paragraph (a) of this section. If the initial supply is not adequate, the insured credit unions must immediately request additional signs from NCUA. Any credit union that does not have an adequate supply but requests additional signs from NCUA will not be considered to have violated paragraph (a) of this section unless the credit union fails to display the signs after receiving them.
- (2) An insured credit union may purchase signs from commercial suppliers or develop its own in any color scheme so long as they are legible and otherwise comply with this part. A credit union may alter the font size of the official sign to make it legible on its Internet page and on documents it provides to its members including advertisements, but it may not do so on signs to be placed at each station or window where the credit union normally receives insured funds or deposits in its principal place of business and all of its branches.
- (c) To avoid any member confusion from the use of the official NCUA sign, federally insured credit unions are prohibited from receiving account funds at any teller station or window where any non-federally insured credit union also receives account funds. As exceptions to this prohibition:
  - (1) A teller in a branch of a federally insured credit union may accept account funds for non-federally insured credit unions, but only if the teller displays a conspicuous sign next to the official sign that states "This credit union participates in a shared branch network with other credit unions and accepts share deposits for members of those other credit unions. While this credit union is federally insured, not all of these other credit unions are federally insured. If you need information on the insurance status of your credit union, please contact your credit union directly." This sign must be similar to the official sign in terms of design, color, and font.
  - (2) A teller in a facility operated by a non-credit union entity may accept account funds for both federally insured credit unions and non-federally insured credit unions, but only if the teller displays a conspicuous sign next to the official sign stating "This facility accepts share deposits for multiple credit unions. Not all of these credit unions are federally insured. If you need information on the insurance status of your credit union, please contact your credit union directly." This sign must be similar to the official sign in terms of design, color, and font.

- (3) A teller in a branch of a non-federally insured credit union may accept account funds for federally insured credit unions. No teller in a non-federally insured credit union may display the official NCUA sign.
- (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.
- (f) An insured credit union that fails to comply with Section 205(a) of the Federal Credit Union Act regarding the official sign, 12 U.S.C. 1785(a), or any requirement in this part is subject to a daily penalty in the amount set forth in § 747.1001 of this chapter.

[68 FR 23382, May 2, 2003, as amended at 71 FR 67438, Nov. 22, 2006; 73 FR 62858, Oct. 22, 2008; 74 FR 9348, Mar. 4, 2009; 74 FR 55749, Oct. 29, 2009; 75 FR 53843, Sept. 2, 2010; 80 FR 57288, Sept. 23, 2015]

### § 740.5 Requirements for the official advertising statement.

- (a) Each insured credit union must include the official advertising statement, prescribed in paragraph (b) of this section, in all of its advertisements, including on its main internet page, except as provided in paragraph (c) of this section.
- (b)
  - (1) The official advertising statement is in substance one of the following:
    - (i) This credit union is federally insured by the National Credit Union Administration;
    - (ii) Federally insured by NCUA;
    - (iii) Insured by NCUA; or
    - (iv) A reproduction of the official sign as described in § 740.4(b) may be used in lieu of the other statements included in this section. If the official sign is used as the official advertising statement, an insured credit union may alter the font size to ensure its legibility as provided in § 740.4(b)(2).
  - (2) The official advertising statement must be in a size and print that is clearly legible and may be no smaller than the smallest font size used in other portions of the advertisement intended to convey information to the consumer.
- (c) The following advertisements need not include the official advertising statement:
  - (1) Credit union supplies such as stationery (except when used for circular letters), envelopes, deposit slips, checks, drafts, signature cards, account passbooks, and noninsurable certificates;
  - (2) Signs or plates in the credit union office or attached to the building or buildings in which the offices are located;
  - (3) Listings in directories;
  - (4) Advertisements not setting forth the name of the insured credit union;
  - (5) 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;

- (6) Joint or group advertisements of credit union services where the names of federally insured credit unions and Non-federally insured credit unions are listed and form a part of such advertisement;
  - (7) Advertisements by radio which do not exceed thirty (30) seconds in time;
  - (8) Advertisements by television, other than display advertisements, which do not exceed thirty (30) seconds in time;
  - (9) Advertisements that because of their type or character would be impractical to include the official advertising statement, including but not limited to, promotional items such as calendars, matchbooks, pens, pencils, and key chains;
  - (10) Advertisements that 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 insurance amount for each member or shareholder;
  - (11) Advertisements that do not relate to member accounts, including but not limited to advertisements relating to loans by the credit union, safekeeping box business or services, traveler's checks on which the credit union is not primarily liable, and credit life or disability insurance.
- (d) The non-English equivalent of the official advertising statement may be used in any advertisement provided that the Regional Director gives prior approval to the translation.

*[68 FR 23382, May 2, 2003, as amended at 71 FR 67439, Nov. 22, 2006; 73 FR 56936, Oct. 1, 2008; 76 FR 30523, May 26, 2011; 83 FR 17913, Apr. 25, 2018; 85 FR 62213, Oct. 2, 2020]*