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Federal Trade Commission / Office of the Secretary
Room H-159 (Annex A)
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

June 2, 2005

RE: Proposed Rule for FDICIA Disclosures, Matter No. R411014

Dear Secretary:

Towpath Credit Union, Inc. is an Ohio chartered credit union with approximately thirteen thousand members and private share insurance provided by American Share Insurance Inc. We serve most of Summit County, Ohio and have assets of approximately sixty million dollars. We have a number of concerns with the new proposed rule.

Over the years our credit union has merged a number of other credit unions and has recently been in such discussions with two others. As you may know, this process already requires considerable disclosures and responses from members. Making the process more involved will increase expenses, frustration for members, and in general lengthen the already laborious process.

More than a decade ago we complied with all requirements to provide every member with three sequential disclosures seeking signed acknowledgement that their credit union had chosen private share insurance. Records of those efforts have been destroyed as an ongoing part of our records retention policy. Since then, we have made every effort to comply with the acknowledgement of disclosure requirements of FDICIA with respect to new members joining the credit union. We believe we have adequately informed our members of their insured status. To require us to solicit thirteen thousand members for the purpose of obtaining 100% compliance in terms of another new signature or acknowledgement card would be unreasonable, impractical and require an excessive amount of time and expense in attempt to implement this unreasonable proposed provision. Meanwhile, refusing deposits from members lacking such signed acknowledgements would dramatically impact our members, disrupt the automated payment system and severely jeopardize the financial stability of our credit union.

We are fully aware of the statutory disclosure language contained in the FDIC Improvement Act of 1991, and the fact that we are required to post signage in our lobbies and places where deposits are normally received stating that our credit union is not federally insured. We believe we are in compliance with such statutory requirements. However, we must take exception to your proposed rule requiring this disclosure signage

be posted on our ATMs. In addition, we, like many credit unions and banks, participate in shared ATM networks. Posting such signage on shared ATMs is impractical at best and likely impossible, and could severely restrict privately insured credit unions from providing this highly popular consumer service. And like so many things when competition and alternatives are reduced, the consumer suffers.

We do support the FTC's proposed rule governing consumer disclosure requirements as they relate to what constitutes "conspicuous disclosure". We do believe strongly in the concept of clear, conspicuous and reasonable disclosure in all matters affecting our members and their financial relationships with us. Also, we believe our credit union has complied with FDICIA in this regard since its enactment. To this end, we endorse the FTC's well-established and tested view of what constitutes conspicuous disclosure as set forth in the preamble to your proposed rule.

We encourage the agency to avoid any specific declarations regarding font size, location, format or color of any consumer disclosures required of privately insured credit unions under FDICIA when preparing its final rule. We believe the determination of whether a disclosure is conspicuous should be left to the best judgment of the privately insured credit union, as long as it gives due consideration to the proximity, presentation, placement and presence of the disclosure.

Thank you for considering our position on these subjects within the proposed rule.

Respectfully submitted,

Alan McArthur
CEO