



MEMBERS CHOICE CREDIT UNION, INC.

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May 25, 2005

Proposed Rule for FDICIA Disclosures, Matter No. R411014
Federal Trade Commission/Office of the Secretary
Room H-159 (Annex A)
600 Pennsylvania Avenue, N. W.
Washington, D.C. 20580

Secretary:

Our credit union has twelve (12) million in total assets, and principally represents the Darke County community of Ohio. The credit union was chartered in 1954. The credit union has been privately insured since before June 19, 1994. In 1994, the credit union complied with the requirements of the Federal Deposit Insurance Corporation Improvement Act. Of 1991 (FDICIA), by mailing three sequential notices to our then-current members seeking their signed acknowledgements recognizing the credit unions lack of federal share insurance.

Since that time, we have made every effort to comply with the acknowledgements of disclosure requirement of FDICIA with respect to new members joining the credit union.

Unfortunately, the records supporting our compliance with FDICIA in 1994 have been destroyed as required under the credit unions records retention policy. We believe that your agency's proposed requirement to obtain such notices over again, due to lack of proof of our earlier compliance, would impose an excessive regulatory burden, and cost on the credit union.

On a further note, I would like to oppose the agency's proposed rule governing consumer disclosure requirements for privately insured credit unions. We are truly concerned over the lack of definition for "all advertising" under the rule.

Clearly, it is impractical to post such notices where it is not physically conducive, such as pens, golf caps, golf shirts, etc. Also, to have a credit union post this disclosure on an outside building sign is anti-competitive & ineffective. We are a full-service financial institution offering a wide variety of services; one of which is providing member access to the deposit accounts through ATM'S.

As a member of the STAR network, we are required by contract to allow customers of all participating financial institutions access to their funds through the ATM owned by us. Most member organizations are federally insured. To post a sign on our ATM's indicating that our credit union is not federally insured would clearly confuse the customers of these other participating institutions when using our machine.

Furthermore, NCUA's regulations (Rule 708b), governing mergers of federally insured credit unions into privately insured credit unions, already provide for full and multiple disclosures to the consumer regarding his/her loss of federal share insurance if the merger is approved by NCUA, the membership and the state credit union regulatory authority. In fact, NCUA requires every member to be given the chance to vote by mail, or in person on such merger propositions, and that a majority of at least 20% of the membership of the merging credit union vote to approve the proposition for the merger to be approved.

We do strongly support the concept of clear, conspicuous and reasonable disclosure when it comes to all matters affecting our members, and their financial relationship with us. Also, we believe our credit union has complied with FDICIA in this regard since it's enactment.

To this end, we endorse the FTC's well established, and tested view of what constitutes conspicuous disclosures as set forth in the preamble to your proposed rule. We encourage the agency to avoid any specific declarations regarding the font size, format, or color of any consumer disclosures privately insured credit unions under FDICIA when preparing it's final rule.

Thank you for considering our position on this subject within the proposed rule.

Respectfully submitted

Patricia L Niese, CEO