

CSX CHICAGO TERMINAL CREDIT UNION  
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May 26, 2005

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

Secretary:

I am writing in opposition to your 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.

The CSX Chicago Terminal Credit Union, a state-chartered credit union in the state of Illinois, has been privately insured since 1981, and has been serving the CSX Transportation Railroad employees, since 1955.

Since the passage of the FDIC Improvement Act in 1991, we have attempted to comply with all aspects of the law. Unfortunately, we have been unsure as to what was the law's intent with the requirement that our credit union provide a notice that it is not federally insured on "all advertising." Lacking regulatory guidance since 1991, we turned to the general requirements that federally insured credit unions, banks and thrifts follow when they disclose the presence of federal insurance.

Clearly, it is impractical to post such notices where it is not physically conducive; such as pens, golf caps, golf shirts, etc. For example, it makes no sense to print a tee-shirt or golf shirt that displays "ABC Credit Union" on the front and a statement that "This institution is not federally insured," on the back. Also, a small pen barely provided enough space for the name of the credit union, yet alone, a statement regarding the form of share insurance. Also, to have a credit union post this disclosure on an outside building sign is anti-competitive and ineffective. To resolve this obvious dilemma, both the NCUA and the FDIC have established somewhat similar lists of deposit insurance disclosure statement exemptions. We would request that the FTC give due consideration to these regulatory exemptions/ exclusions in finalizing its rule affecting privately insured credit union (NCUA Rule 740 and FDIC Rule 328.).

Regarding printed materials, we do see the logic in posting such disclosure in member newsletters and other printed materials that promote savings account investments or display current or promotional interest rates on savings. However, we see no reason to include such disclosures on loan promotional materials, such as VISA card or mortgage loan advertisements. These materials have no consequence on a member's depository relationship with the credit union. To clarify this issue, we would propose that the final rule contain language requiring such disclosure only on printed or electronic materials (websites or broadcast media) that mention share or deposit accounts or deposit account rates.

Thank you for considering our input on this important subject.

Respectfully submitted,

Patti J. Golden  
Manager