

Congress of the United States
House of Representatives

Washington, DC 20515

June 29, 2005

FEDERAL TRADE COMMISSION
05 JUL -6 AM 9:29
CONG. CORRES. BRANCH

The Honorable Deborah Platt Majoras
Chairman
Federal Trade Commission
600 Pennsylvania Avenue
Washington, D.C. 20580

Re: Proposed Rule for FDICIA Disclosures, Matter R411014

Dear Chairman Majoras:

We are writing to express our comments on the FTC's proposed rules for credit unions that have private deposit insurance. As you may know, both Illinois and Ohio are home to a large number of privately insured credit unions, representing organizations as diverse as teachers, fire fighters, university employees and church groups.

For nearly a decade the FTC did not issue interpretive rules on this subject and we are pleased that it now has decided to move forward, however, we would hope that the Commission uses a common sense approach to the regulatory framework.

First, the rule appears to state that credit unions would have to obtain a written acknowledgement from every depositor since September 1994 that the institution is not federally insured. Congress deemed that impossible nearly a decade ago, when the Senate and House Banking Committee Chairs (Senator Riegle and Congressman Gonzalez) wrote to the FTC and urged the Commission not to impose such a rule, until legislation could pass that would allow credit unions to mail its customers at least three times, in lieu of an in-person signed acknowledgement. Subsequent legislation did pass permitting this option. Under the new rule, we would urge you to allow new customers, after the rule is finalized, to either sign an acknowledgement card in person or receive three first class mailings urging that a card be signed. In today's age of internet banking, even more so than in 1994, customers no longer visit a branch, and mailing prospective customers is a practical method for achieving Congress' intent.

Second, we believe it would be impossible to put private insurance disclosures on ATMs that are not on the branch site. Many credit unions are members of ATM networks that have locations in hundreds of diverse locations, such as other bank branches, airports, convenience stores, etc. Further, we have all become accustomed to using virtually any ATM to do banking transactions. We believe that ATMs should be excluded from the rules on private insurance disclosures because it may only confuse customers and non customers alike.

Lastly, the same logic applies to deposit slips that are produced in massive quantities. Altering a generic deposit slip could cost thousands in unnecessary printing costs, burdening these small credit unions, and provide little practical use to the customer.

In general, when confronting these issues, we would hope the FTC will find practical solutions to the situations sighted above. We would also ask that you pay careful attention to the views of the Illinois and Ohio credit unions that are commenting on this rule.

Sincerely,

J. Dennis Hastert
Speaker
14th District of Illinois

Deborah Pryce
Member of Congress
15th District of Ohio

Bob Ney
Member of Congress
18th District of Ohio

Steven C. LaTourette
Member of Congress
14th District of Ohio

Patrick J. Tiberi
Member of Congress
12th District of Ohio