

Marketing – An Open Door to Liability Michigan Credit Union League



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About the Presenter...

R. Todd Shery is a founding partner in the law firm of Shery & Jones, P.A. The firm is dedicated to serving all legal needs of Credit Unions; and provides day-to-day compliance, compliance auditing, training and consulting services to Credit Unions throughout the United States. Todd dedicates a large portion of his time to teaching Credit Unions, having made presentations in 43 States and participating as an instructor through CUNA & Affiliates Regulatory Compliance, Collections and Credit Counseling, Marketing, Consumer Loan Officer and Economics and Investments Schools and Conferences. Todd authored CUNA's **RegTrac Compliance Modules on Consumer, Real Estate Lending, and Member Business Lending**; CUNA's **White Paper on Privacy**; CUNA's **Guide to Compliance with Revised Article Nine**; CSG's Volunteers Achievement Program on **Directors' Liability**, and many other Credit Union resources. Todd is General Counsel to the South Carolina and consults with several other Credit Leagues on a regular basis.

CURES and SimpliLend™: 1992 Todd developed **CURES, LLC.**, (Credit Union Resources and Educational Services) and **SimpliLend™** to serve the compliance/regulatory needs of Credit Unions. CURES includes the "**Compliance Community Plan**" under which Credit Unions are offered audit and/or continuing compliance services at a significant saving through cooperative participation in a plan serving the common needs of many Credit Union. Under the Plan, the firm and/or CURES now works with approximately 500 Credit Unions in 27 States. Under this plan, CURES provides participants with secure web access to all electronic policies, procedures, notices, updates, explanations, internal training guides, as well as many forms from simple collection and bankruptcy documentation to full member account services guides and other forms and day-to-day resources.

Todd serves on the Credit Union Sub-committee of the American Bar Association, the Operations and Supervisory Committee's of the Credit Union Committee; and chaired the Consumer Law Section for the South Carolina Bar. Todd, whose family has a tradition of working with and supporting Credit Unions, then began his current practice. Todd is married to the Executive Officer at a Large Georgia Credit Union. Todd has two daughters, Caroline and Catherine who he absolutely adores.

The Largest Credit Unions to whom we provided in the last year include:

Boeing West Employees Credit Union	Mountain America Credit Union	Founders Federal Credit Union
Langley Federal Credit Union	State Farm Credit Union	Black Hills Federal Credit Union
Arizona Federal Credit Union	Robins Federal Credit Union	Elevations Federal Credit Union
Bankfund Staff Federal Credit Union	Sharonview Federal Credit Union	SC Federal Credit Union
Addison Avenue Federal Credit Union	66 Federal Credit Union	Centris Federal Credit Union
Tinker Federal Credit Union	American Airlines Federal Credit Union	Piedmont Aviation Federal Credit Union
Lake Michigan Credit Union	POPA Federal Credit Union	Aberdeen Proving Ground Federal Credit Union
Day Met Credit Union	Pearl Harbor Federal Credit Union	Leaders Federal Credit Union
SPC Cooperative Credit Union	Mid-America Credit Union Association	TruChoice Federal Credit Union
Memphis Area Teachers Credit Union	Credit Union of Colorado	Atlantic Regional Federal Credit Union

Smaller Credit Unions to whom we provided in the last year include:

GHS Federal Credit Union	Aberdeen Federal Credit Union	Ball State Federal Credit Union
Bangor Federal Credit Union	Bay Gulf Federal Credit Union	Central Sunbelt Federal Credit Union
Community United Federal Credit Union	Delaware First Federal Credit Union	Family Advantage Federal Credit Union
Fort Campbell Federal Credit Union	Jefferson Financial Credit Union	Leaders CU Credit Union
ListerHill Federal Credit Union	Maui Teachers Federal Credit Union	Kahului Federal Credit Union
New Orleans Firefighters Federal Credit Union	Penobscot County Federal Credit Union	PortAlliance Federal Credit Union
Savannah Postal Federal Credit Union	Strategic FCU	Tuscaloosa County Credit Union

We provide or have provided in the last year services to the following non-Credit Union entities:

CUNA Mutual Insurance, CUNA CPD or other affiliated companies	Minnesota Mutual Insurance Company, Inc.	Securian, Inc
South Carolina Credit Union League	North Carolina Credit Union League	Hawaii Credit Union League
Indiana Credit Union League	Missouri Credit Union League	Maine Credit Union League
Michigan Credit Union League	Florida Credit Union League	Virginia Credit Union League
SD-ND Credit Union League	Georgia Credit Union Affiliates	The Financial Forms Company, LLC

Introductory Notes:

Basic Obligations, Standards and Liability Issues

Get Out of Jail Free Cards” Protecting the Credit Union and its Management and/or Volunteers from Liability and/or Regulatory Actions; and Avoidance of Other Losses:



Opening the Door and Other Issues

A. The General Advertising Rule – “Truth in Advertising.”

Although Credit Unions are subject to many specific compliance requirements, when advertising products and services, all of these requirements stem from one general principle: Advertisements must be accurate and not deceptive or misleading in any respect, and they may not misrepresent the products and services that Credit Unions actually offer to their members.

1. The Lanham Act.

The Lanham Act is a federal law that prohibits false advertising and gives legal rights to “any person who believes that he or she is or is likely to be damaged by the use of any . . . false description or representation” of any goods or services. For a Credit Union to be

liable for a false advertisement under the Lanham Act, a claimant must prove to the satisfaction of a court that the advertisement meets the following criteria:

- It contains a false statement of fact about a product.
- The false statement actually either deceives or has the ability to deceive a substantial segment of the intended audience.
- The false statement is material (i.e., it is likely to influence the audience).
- The false statement either results in or is likely to result in injury to the claimant.

Credit Unions should be aware that the Lanham Act interprets the word “false” broadly. As a result, the act applies not only to statements that are false but also to those that are misleading, confusing, or deceptive.

However, there is a fine line of distinction between a statement that is misleading or deceptive and one that is “puffing.” Puffing, which is considered permissible under the Lanham Act, refers to blatant boasting or exaggerating.

It is also important to note that a claim under the Lanham Act exists only if an advertisement has a tendency to deceive a substantial or significant portion of the audience for which the advertisement is intended. Consequently, if an advertisement is aimed at a more sophisticated audience, there is less likelihood that a claimant can prove the audience has been or is likely to be deceived.

A person bringing suit under the Lanham Act may claim damages and ask the court to enjoin the Credit Union from using the advertisement. A court may award a successful claimant up to as much as three times the amount of the proven damages.

2. FTC Rules.

As noted earlier, the Federal Trade Commission Act prohibits unfair methods of competition and unfair or deceptive acts or practices in commerce. It also grants the FTC power to challenge advertising the agency considers unfair or deceptive.

An advertisement is deceptive under the Federal Trade Commission if it meets the following criteria:

- It contains a statement that is likely to mislead consumers.
- Consumers are interpreting the statement reasonably under the circumstances.
- The statement is material (i.e., it is likely to affect a consumer's decision with respect to the product).

B. Naming Products – Trademarks and Service Marks

Three Types of Protection:

1. Common law right to exclusivity of a name. The first Credit Union to use a name for a product is granted the legal right to exclusive use of the name, unless the name is generic or its use by another company will not cause confusion.
2. Trademark Act. Credit Unions are permitted to file a registration for rights in a name or phrase used in interstate commerce.
3. State trademark laws. Credit Unions can register names used exclusively within a particular state.

84A-2009 Community Notice // “Just Do It” and Trademark Infringement Laws

Ahhh – I have received a number of inquiries on the service mark / trademark process following the new of the infringement suit against Truliant. I would say it is funny (but it truly is not) that the only time folks in “Credit Union Land” pay heed to these matters is when something bad happens to someone.

The Process: Generally, the process begins with learning the Credit Union's name, logo, “tag-line,” item, etc, that the Credit Union wishes to use in commerce. Once this is known a search is conducted to assess whether there are competing names, marks, logos, etc. This may require assessment per applicable federal laws (and may involve NCUA and/or state issues on names). Once the search is conducted we can advise on: (1) competing marks / availability; (2) odds of approval / potential issues-problems; and (3) pose recommendations on pursuit of the item the Credit Union wishes to servicemark/trademark – or problems and possible solutions. Once the Credit Union decides to proceed we gather the information together with electronic samples and images per applicable PTO filing requirements and prepare the filing. Once filed – “the ball is in the US PTO's Court.” The filing is submitted to

an examining attorney. That attorney will assess the item submitted and possible objections and/or competing marks. The PTO attorney may approve, deny or require revisions. Once in the PTO's hands the process may take anywhere from 6-18 months (this is entirely in their discretion and there is nothing you can do to hurry them along). If approved – (a) the approval is published in the Federal Register; and (b) barring a legal challenge -- a certificate is issued approving the Credit Union's application.

The Cost: The cost can vary widely depending on the process once filed as noted above. The range can run from \$2,000 to \$5,000 plus a filing fee of \$325. The cost is usually on the lower end, but depends on the process and the examining attorney's actions as explained above.

The Benefits: (1) You learn whether the trademark is available and reserve its use unto your Credit Union [which provides substantial protections]; (2) you do not get sued and spend 10's or 100's of thousands of dollars defending infringement of another's rights to the mark; and (3) you do not "burn the members' money" (Ex. Credit Union that did not want to spend the \$2,000 to \$5,000 – and spent \$200,000 on new signs, printing costs, etc. – to be served with an infringement action and injunction barring further use of the name/logo – requiring the Credit Union to start over – spending an additional \$200,000 to correct its oversight).

What items may you trademark / service mark:

Your Credit Union Name –

Example: "The Southern Federal Credit Union"

Your Logo or Design



Your "Tag Line"



Your Unique Product Names, Kids Clubs, Etc.

ADVERTISING MEDIA.

An advertisement is any commercial message that directly or indirectly promotes a product. The obvious media for advertisements include television, radio, newspapers, and billboards. The following also can be media for advertisements (the list is not all-inclusive):

- Internet “home banking” advertising.
- Twitter
- Brochures, pamphlets, and fliers.
- Outdoor displays — posters, banners, and window signs.
- Lobby boards.
- Statement stuffers.
- Statement messages.
- Telephone response machines.
- Rate sheets.
- Direct mail.
- Oral quotes.
- Point-of-sale materials.

This list includes statement messages and stuffers. However, if such statements refer to existing accounts, they are not advertisements. If the Credit Union includes information regarding another type or category of account in the statement messages and stuffers, such information would be considered an advertisement and subject to the credit union’s advertising policy.

Rate sheets will not be considered an advertisement if the Credit Union has no control over the publication of the information and does not pay a fee for its publication. Example: A local newspaper published rates offered by area institutions to allow readers to review and compare the information.

The Credit Union’s policy will also apply to any agents or representatives it retained to help promote its products. Any person or entity who works on behalf of the Credit Union is subject to the same rules as the credit union itself.

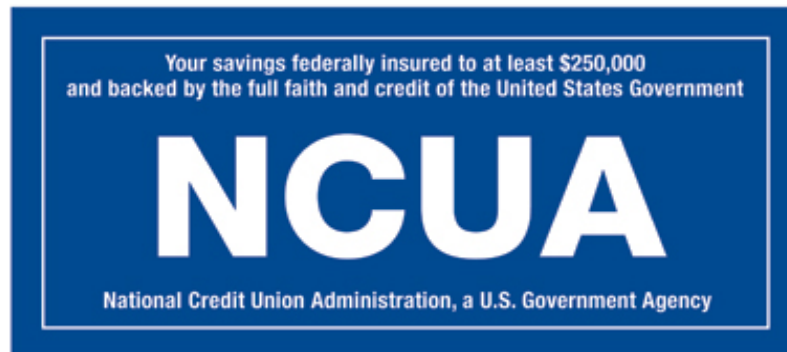
NCUA OFFICIAL ADVERTISING SIGN/STATEMENT - 12 C.F.R. § 740.

Sample Disclosure Options Under 12 CFR §740: Your Credit Union can choose either of the following options to comply with this Regulation:

1. *Statement:* “This Credit Union is federally-insured by the National Credit Union Administration.”
2. *Short Statement and Official Sign:* “Federally Insured by NCUA.”

3. (?) Perhaps the Official Sign Alone – If completely legible. Consult with RTS if you wish to discuss this.

This is the Official Sign



This is NOT the Official Sign



C. Sign Format / Requirements

Color: You may choose any color you wish as long as the official sign is legible and otherwise complies with the requirements in 12 CFR 740.

Font: You may changes the font on the sign when used on the Internet or on any advertising or other documents where the sign is required. **YOU MAY NOT ALTER THE FONT ON THE OFFICIAL SIGN DISPLAYED IN BRANCHES.**

DEPOSITS – TRUTH IN SAVINGS COMPLIANCE.

It will be Credit Union policy to:

- Not use any misleading or inaccurate advertisements.
- Include specific rate information whenever rates are included in advertisements.
- Provide additional information in advertisements that contain or advertise information about rates or bonuses.
- Not state that a deposit with the Credit Union is safer than a deposit with an insured savings and loan association or bank.

Annual Percentage Yield.

All deposit account advertising that states a rate of return must reflect the rate as an “annual percentage yield,” using that term. The Credit Union may also use the abbreviation “APY,” as long as the full term “annual percentage yield” appears at least once in the advertisement.

The only other rate that the Credit Union can include in a deposit advertisement is the dividend rate related to the APY. The Credit Union must use the actual term “dividend rate.” It must appear with the APY and cannot be shown more conspicuously. Deposit advertising should not include the term “annual percentage rate” in any context.

Accuracy of Rate Information.

Use of Term “Free” or Phrase “No Cost.”

Prohibition on Misleading Advertising Where the Credit Union Offers Overdraft Privilege Services.

Use of Trigger Terms and Required Disclosures.

NOTE: The Credit Union’s Reporting obligations to the IRS for Dividends (Form 1099-INT) may be affected by any bonus paid on a member’s accounts; or as a result of certain promotions. You will find guidance on this in Item A2 of this Section (Advertising) of your CUPP Manual.

Partial Exemption for Certain Advertisements.

LOANS – TRUTH-IN-LENDING COMPLIANCE.

Clear and Conspicuous Requirement.

NOTE: Clear and Conspicuous Standard for All Advertisements -- Effective October 1, 2009, a new subsection 226.24(b) has been added to Regulation Z that simply states that the disclosures that are required in connection with advertisements for closed-end credit must be made clearly and conspicuously. This rule applies to all closed-end loan advertisements. This really add nothing to the standards already known

The Credit Union's loan advertisements must disclose the terms of the credit clearly and conspicuously. This means that the advertisement must be legible and reasonably understandable.

NOTE: TYPE SIZE AND PRINT FONTS. There are no "required" type or font guidelines under the Act or Regulation Z. However, the Credit Union will apply a "reasonableness" standard to insure that all advertising is legible and can be easily understood by the average member. Also keep in mind the 8-point type limitations at the lower end of the Schumer Box requirements as some guidance.

Actual Availability of Terms.

The advertisement for a credit product must state the specific terms being offered by the Credit Union to its members. The Credit Union should never advertise credit terms that are not actually available. If the Credit Union imposes a condition on a credit product, this must also be stated in the advertisement. This does not mean the Credit Union cannot offer a special rate that is available for only a limited time period, nor does it prohibit the Credit Union from advertising terms that will become available at a future date.

**ABC FEDERAL CREDIT UNION
FALL CAR LOAN SPECIAL**

6.75% APR*

*APR available from May 15 through May 30, 2012 for loan terms not exceeding 42 months.
Estimated monthly payments on 42-month loan at 6.75% APR = \$26.80 per \$1,000.00 borrowed.

Annual Percentage Rate or APR.

If your advertisement shows the finance charge as a rate, that rate must be stated as either an

Annual Percentage Rate OR APR.

NOTE: APR is a “Trigger Term” for open-end credit; and NOT for closed-end credit.

NOTE: Additional rules apply for variable rates, balloons, adjustable rates, etc. These issues are more fully addressed in the following sections on open- and closed-end credit.

Trigger Terms.

There are certain credit terms that, if mentioned or described in an advertisement by themselves, might mislead members as to the “deal” being offered by the Credit Union in comparison to similar credit offered by other providers. These are called “trigger terms,” and special rules govern their use. Specifically, if an advertisement for a loan product contains any credit term that is required to be disclosed under Regulation Z, this would be considered a trigger term. If a trigger term appears in an advertisement, the Credit Union must include additional disclosures. **See Individual Charts Trigger Terms.**

“Unsecured and Signature.”

If the Credit Union has a proper cross-collateral clause in its Loan Forms, using the terms “Unsecured” or “Signature” should be avoided in all CU documents, policies, procedures, etc. Why? Because this term is not consistent with the concept of cross-collateralization and such inconsistencies can be used against the Credit Union. As explained herein, the use of any terminology adverse to cross-collateralization may impair this important right (particularly after revision of Article Nine of the UCC. This is particularly the case where the Credit Union makes such a severe distinction between secured and unsecured throughout its policies and procedures. Separate cross-collateral and non-cross-collateral classifications are not recommended.

Alternative Disclosure Rules for Television or Radio Advertisements

Effective as of October 1, 2009, Regulation Z offers an alternative for advertisements made via television or radio that triggers additional disclosures as described above (See Section E in this discussion above for references to “trigger terms”). One option is to comply with the rules described above (i.e., setting forth, clearly and conspicuously, each of the additional items required to be disclosed). Alternatively, the Credit Union may **(note the “And’s”)**:

- State the annual percentage rate, using that term, clearly and conspicuously, **AND**
- List a telephone number, either one that is toll-free or a number that allows a consumer to reverse the phone charges when calling for information, **AND**
- State that the telephone number may be used by consumers to obtain additional cost information.

Special Disclosure Rule for Advertisements Provided via Electronic Communications (in essence “websites”)

For purposes of meeting the disclosure requirements of Regulation Z for advertisements, TILA/Z treats advertisements that appear on a Web site (or other form of electronic communication) the same as catalogs and multi-page advertisements. If an advertisement that appears on a web page provides information in a table or schedule in sufficient detail to permit determination of the disclosures that are required as provided in 226.24(d)(2), the advertisement will be considered a single advertisement if:

- The table or schedule is clearly and conspicuously set forth; and
- Any statement of the credit terms in paragraph (c)(1) of this section that appear anywhere else in the advertisement clearly refers to the page or location where the table or schedule begins.

Also, an electronic advertisement (such as an advertisement appearing on a web site) complies with section 226.24(d)(2) if the table or schedule of terms includes all appropriate disclosures for a representative scale of amounts up to the level of the more commonly sold higher-priced services offered.

“Closed-end Loans Secured by Dwellings.” Special Rules and Disclosure Requirements for Mortgage Advertisements That Include Specific Rate or Payment Information (Effective October 1, 2009)

Beginning October 1, 2009, Reg Z requires certain advertisements of **closed-end loans to be secured by dwellings**. More specifically, section 226.24(f) mandates the inclusion of specific information in all cases where such advertisements include rate or payment information. For these purposes, any promotional materials that accompany an application are deemed to be advertisements. The following Sections describe the requirements of these rules:

Disclosure of Rates

If the advertisement states a simple annual rate of interest and more than one simple annual rate of interest will apply over the term of the loan, the advertisement must include:

1. Each simple annual rate of interest that will apply. In variable-rate transactions, a rate determined by adding an index and margin must be disclosed, based on a reasonably current index and margin.
2. The period of time during which each simple annual rate of interest will apply.
3. The annual percentage rate for the loan. If the rate is variable, the annual percentage rate must comply with the accuracy standards set forth in Regulation Z (see section 226.17(c) and section 226.22).

These three items must be disclosed clearly and conspicuously — which, for these purposes, means with equal prominence and in close proximity to any advertised rate that triggered the required disclosures. The annual percentage rate (#3 above) may, at the option of the advertiser, be disclosed with greater prominence than the other information.

Disclosure of Payments

If the advertisement states the amount of any payment, the advertisement must include:

1. The amount of each payment that will apply over the term of the loan, including any balloon payment. In variable-rate transactions, payments that will be determined based on the application of the sum of an index

and margin must be disclosed based on a reasonably current index and margin.

2. The period of time during which each payment will apply.
3. If the advertisement is for credit secured by a first lien on a dwelling, the fact that the payments do not include amounts for taxes and insurance premiums, if applicable, and that the actual payment obligation will be greater.

These three items must be disclosed clearly and conspicuously — which, for these purposes, means with equal prominence and in close proximity to any advertised payment that triggered the required disclosures (the information in item #3 above must be prominent, but need not be with equal prominence).

Exclusion for Envelopes and Electronic Banners

The above requirements (i.e., for rate and payment disclosures) do not apply to:

- An envelope in which an application or solicitation is mailed
- A banner advertisement linked to an application or solicitation provided electronically
- A pop-up advertisement linked to an application or solicitation provided electronically

Special Disclosure Rule for Advertisements for Mortgage Loans That May Exceed the Dwelling Value

Effective October 1, 2009, if any advertisement (in any format) is for a loan to be secured by the consumer's principal dwelling, and the advertisement states that the advertised extension of credit may exceed the fair market value of the dwelling, the advertisement must clearly and conspicuously include the following two statements:

1. The interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for federal income tax purposes
2. The consumer should consult a tax adviser for further information regarding the deductibility of interest and charges

Prohibited Acts or Practices in Advertisements for Credit Secured by a Dwelling

Effective of October 1, 2009, TILA/Z prohibits the following acts or practices in advertisements for credit secured by a dwelling:

- Using the word "fixed" to refer to rates, payments, or the credit transaction in an advertisement for variable-rate transactions or other transactions where the payment will increase, unless:

—In the case of an advertisement solely for one or more variable-rate transactions, the advertisement meets both of the following conditions:

1. The phrase "Adjustable-Rate Mortgage," "Variable-Rate Mortgage," or "ARM" appears in the advertisement before the first use of the word "fixed" and is at least as conspicuous as any use of the word "fixed" in the advertisement, AND
2. Each use of the word "fixed" to refer to a rate or payment is accompanied by an equally prominent and closely proximate statement of the time period for which the rate or payment is fixed, and the fact that the rate may vary or the payment may increase after that period;

— In the case of an advertisement solely for non-variable-rate transactions where the payment will increase (e.g., a stepped-rate mortgage transaction with an initial lower payment), each use of the word "fixed" to refer to the payment is accompanied by an equally prominent and closely proximate statement of the time period for which the payment is fixed, and the fact that the payment will increase after that period;

— In the case of an advertisement for both variable-rate transactions and non-variable-rate transactions, the advertisement meets both of the following conditions:

1. The phrase "Adjustable-Rate Mortgage," "Variable-Rate Mortgage," or "ARM" appears in the advertisement with equal prominence as any use of the term "fixed," "Fixed-Rate Mortgage," or similar terms, AND
2. Each use of the word "fixed" to refer to a rate, payment, or the credit transaction either refers solely to the transactions for which rates are fixed and complies with the previous bulleted paragraph, if applicable, or, if it refers to the variable-rate transactions, is accompanied by an equally prominent and closely proximate statement of the time period for which the rate or payment is fixed, and the fact that the rate may vary or the payment may increase after that period.

- Making any comparison in an advertisement between actual or hypothetical credit payments or rates and any payment or simple annual rate that will be available under the advertised product for a period less than the full term of the loan, unless the advertisement meets both of the following conditions:
 1. The advertisement includes a clear and conspicuous comparison to the information required to be disclosed as discussed above (under the heading "Disclosure of Rates and Payments in Advertisements for Credit Secured by a Dwelling"), AND
 2. If the advertisement is for a variable-rate transaction, and the advertised payment or simple annual rate is based on the index and margin that will be used to make subsequent rate or payment adjustments over the term of the loan, the advertisement includes an equally prominent statement in close proximity to the payment or rate that (a) the payment or rate is subject to adjustment, and (b) sets forth the time period when the first adjustment will occur.

- Making any statement in an advertisement that the product offered is a "government loan program," "government-supported loan," or is otherwise endorsed or sponsored by any federal, state, or local government entity, unless the advertisement is for an FHA loan, VA loan, or similar loan program that is, in fact, endorsed or sponsored by a federal, state, or local government entity.

- Using the name of the consumer's current lender in an advertisement that is not sent by or on behalf of the consumer's current lender, unless the advertisement meets both of the following conditions:
 1. It discloses with equal prominence the name of the person or creditor making the advertisement, AND
 2. It includes a clear and conspicuous statement that the person making the advertisement is not associated with, or acting on behalf of, the consumer's current lender.

- Making any misleading claim in an advertisement that the mortgage product offered will eliminate debt or result in a waiver or forgiveness of a consumer's existing loan terms with, or obligations to, another creditor.

- Using the term "counselor" in an advertisement to refer to a for-profit mortgage broker or mortgage creditor, its employees, or persons working for the broker or creditor that are involved in offering, originating or selling mortgages.

- Providing information about some trigger terms or required disclosures, such as an initial rate or payment, only in a foreign language in an advertisement, but

providing information about other trigger terms or required disclosures, such as information about the fully-indexed rate or fully amortizing payment, only in English in the same advertisement.

EQUAL CREDIT OPPORTUNITY ACT/FAIR HOUSING ACT/HOUSING AND URBAN DEVELOPMENT RULES AND NCUA REGULATION 701.31.

A. Prohibited Use of Certain Words and Phrases.

An advertisement must not use any words, phrases, symbols, or forms that would convey either overt or tacit discriminatory preferences or limitations (i.e., based on race, color, religion, sex, handicap, familial status, or national origin). This rule is not intended to prohibit or restrict advertising efforts as a part of an affirmative action marketing program.

B. Selective Use of Advertising Media or Content.

The following practices may be considered discriminatory and should be avoided by the Credit Union:

- Limiting advertising to a particular geographic region.
- Using language selectively (e.g., using only English in an advertisement in an area that is predominantly non-English-speaking).
- Using certain media to the exclusion of other media (e.g., placing an advertisement exclusively in an English-language newspaper circulated in a predominantly non-English-speaking area and where non-English media are available).
- Advertising on billboards that are strategically placed and brochures that are distributed within a limited geographic area.
- Using human models selectively in advertisements. If reviewing a website, review the entire site in order to determine whether imagery would tend to discourage potential credit applicants on a prohibited basis. Refer to: Reg B 12 CFR §202.5(a).

C. Use of Equal Housing Logo and Slogan.

The Credit Union will include the Fair Housing Act equal housing logo and slogan in all home mortgage advertisements.

If print – use the logo and statements indicated.

If verbal – use the verbal version below (again – depending on whether you are state or federal will dictate the requirements).

(NOTE: Be sure to assess the differences in State and Federal Credit Unions as noted herein).

STATE-CHARTERED CREDIT UNION:

You are subject to HMDA's rules and may use either of the logos noted. You may access the logos in several formats at:

<http://www.hud.gov/library/bookshelf15/hudgraphics/fheologo.cfm>



SIZE: (intended as a rough guide based on general regulatory considerations)

***Size of Advertisement**

½ page or larger
1/8 page to ½ page
4 column inches to 1/8 page
Less than 4 column inches

Logo Size

2" by 2"
1" by 1"
½" by ½"
Use the equal housing slogan instead of the logo

If other logos are used in an advertisement, then the equal housing logo should be at least as large as the other logos. If no other logos are used, then the equal housing logo should be clearly visible in a bold display face.

The size requirements listed are pursuant to HUD's Regulations and Guidelines. See, 24 CFR §109.30 and Appendix I.

FEDERAL CREDIT UNION:

Federal Credit Union's are governed by NCUA, which requires a slightly different logo from HUD's standard logo (See the "Equal Housing Lender" logo below).



NON-DEPOSIT INVESTMENT PRODUCTS — DISCLOSURES REQUIRED BY NCUA LETTER NO. 150.

- Investments are not federally-insured.
- Investments are not obligations of the Credit Union.
- Investments are not guaranteed by the Credit Union or any affiliated entity.
- Investments involve investment risks, including the possible loss of principal.
- (If applicable) Are being offered by an **employee** who serves both the functions of accepting member deposits and the selling of non-deposit investment products.

NOTE: Watch Your Website!: Any brochures or similar documents that contain information regarding both the Credit Union's NCUA insured products and non-deposit investment products should clearly segregate the non-deposit investment product information from the NCUA-insured product information.

ENDORSEMENTS AND TESTIMONIALS.

PRE-SCREEING