



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-62-2006
July 17, 2006

OFFICIAL FDIC SIGN AND ADVERTISING OF FDIC MEMBERSHIP

Notice of Proposed Rulemaking

Summary: The FDIC Board of Directors has approved the attached notice of proposed rulemaking to replace the two separate official FDIC signs – one for insured banks, and the other for insured savings associations – with one new official sign that all FDIC-insured depository institutions would be required to display where deposits are received. The notice of proposed rulemaking would also require both banks and savings associations to use the official advertising statement (“Member FDIC”) in advertisements that specifically promote deposit products and services or generally promote banking services. The proposed rulemaking would revise Part 328 of the FDIC Rules and Regulations, which governs official FDIC signs and advertising of FDIC membership. Comments on these proposals and related matters are due by September 15, 2006.

Distribution:
FDIC-Insured Institutions

Suggested Routing:
Chief Executive Officer
Compliance Officer

Related Topics:
FDIC Part 328

Attachments:
Advertisement of Membership; Notice of Proposed Rulemaking (71 FR 40440, July 17, 2006)

Contact:
Policy Analyst Kara Ritchie at kritchie@fdic.gov or (202) 898-3716

Note:
FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at www.fdic.gov/news/news/financial/2006/index.html.

To receive FILs electronically, please visit <http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 3501 North Fairfax Drive, Room E-1002, Arlington, VA 22226 (1-877-275-3342 or 703-562-2200).

Highlights:

- An amendment to section 18(a) of the Federal Deposit Insurance Act requires that the FDIC promulgate regulations prescribing a sign that each insured depository institution would be required to display where deposits are received. The proposed regulation would replace the separate official bank sign and official savings association sign with one new official FDIC sign to be used by all insured depository institutions.
- The proposed rule would also extend the advertising requirements in Part 328 to savings associations, requiring both banks and thrifts to use the official advertising statement (“Member FDIC”) in advertisements that specifically promote deposit products and services or generally promote banking services.
- In addition, the FDIC is requesting comment on whether the final rule should include provisions addressing the use of the official advertising statement in advertisements of non-deposit products; and whether the proposed effective date of the final rule would give institutions sufficient time to adjust to the new requirements in the proposed revision of Part 328.