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Canandaigua
National
Bank & Trust

Cori Ann S. Zinter, AML/CA, CAMS, CRCM,
CFCS, CFE
VP, Bank Compliance Officer
1150 Pittsford Victor Rd.
Pittsford, NY 14534
PH 585-419-0670 x51920
FAX 585-394-4001
czinter@cnbank.com

May 21, 2021

James P. Sheesley, Assistant Executive Secretary
Attention: Comments-RIN 3064-ZA14
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Submitted electronically to Comments@fdic.gov

RE: RIN 3064-ZA14
Request for Information on FDIC Official Sign and Advertising Requirements and Potential
Technological Solutions

Dear Sir or Madam:

The Canandaigua National Bank and Trust Company (CNB) appreciates the opportunity to comment on the Federal Deposit Insurance Corporation's (FDIC) request for information (RFI) and comment on the FDIC official sign and advertising requirements and potential technological solutions.

In this RFI, the FDIC is seeking information on its official sign and advertising requirements to align with how banks offer products through various deposit-taking channels and how consumers interact with banks. Specifically, the FDIC requested feedback on various topics. Included below are responses to questions for which CNB could provide information.:

Official Sign:

Q1. Should the rule continue to require the sign be a minimum size and a specific color? Is this needed to ensure consumers understand "deposit insurance?"

A1. CNB does not have any concerns with the size and color requirements; however, it has been our experience that the size and color requirements do not ensure a depositor's understanding of FDIC insurance coverage.

Q2. Should the rule continue to link the placement of the sign to each teller station or window where insured deposits are usually and normally received?

A2. For consistency purposes, the rule should ensure that signage appears in all places where deposits are normally received.

Q3. Should the rule take into account changes in places where deposits are “usually and normally received” by banks? How?

A3. For consistency purposes, the rule should ensure that signage appears in all places where deposits are normally received.

Q4. Should the FDIC’s current approach of allowing for permissive or optional placement and use of signage be broadened? How?

A4. The current option of placement at other locations within the organization or at remote electronic locations does not provide any advantages. We see no additional value of placing of signage at other areas where it is not required; therefore, we see no value in broadening these options.

Q5. Does the rule’s definition of “Remote Service Facility” appropriately reflect current banking practices? For example, should the list of facilities (any automated teller machine, cash dispensing machine, point-of-sale terminal, or other remote electronic facility where deposits are received) be broadened? If so, what other “facilities” should be included?

A5. No other facilities should be included; however, this definition could be revised to clarify that the signage requirement only applies if deposits are processed at these locations, versus taken from the depositor in one location and then subsequently processed in another location.

Q6. Are FDIC-insured institutions currently displaying a digital representation of the FDIC sign or logo on their websites/mobile apps at account opening? If no, should they do so?

A6. Yes, CNB is doing this in all cases.

Q7. Are FDIC-insured institutions currently displaying a digital representation of the FDIC sign or logo on their websites/mobile apps each time a consumer deposits funds? If not, should they do so?

A7. CNB currently displays this on the Mobile App at login. It is not displayed on the landing page for the mobile deposit functionality.

Q8. Are alternative means of displaying an official FDIC sign, beyond a two-dimensional placard, appropriate in places such as bank “cafes” and through digital means? How might this be implemented for different delivery channels (e.g., brick-and-mortar, website, app-based)?

A8. CNB is currently displaying the official, two-dimensional FDIC sign for all delivery channels – electronic and brick and mortar. As CNB does not offer bank “cafes,” we are unable to offer an opinion on other alternatives for those solutions.

Q9. As noted above, the current regulation requires that the official FDIC sign be displayed continuously at each station or window where insured deposits are usually and normally received in the depository institution’s principal place of business and at all of its branches. Should the rule continue to require that the sign be displayed continuously, or should it allow for digital displays or representations that are not continuously displayed?

A9. If the official FDIC sign is not displayed “continuously,” we cannot ensure that depositors would be aware of the FDIC Insurance.

Q10. To what extent do the existing rules enable consumers to distinguish between FDIC-insured Institutions and uninsured entities? Are there data, surveys, and studies on this issue?

A10. As CNB has not received any feedback from our customers nor conducted a survey regarding this issue, we are unable to respond to this question.

Official Advertising Statement:

Q11. Can the regulation be better clarified regarding which types of advertising require the inclusion of the official advertising statement? Should some forms of advertising currently subject to the requirement be made exempt? Are there newer forms of advertising that do not now but should include the official advertising statement?

A11. Exemptions are sufficient as currently included in the regulation.

Q12. How do banks currently provide the advertising statement when promoting deposit products through non-traditional channels?

A12. For online banking, the disclosures are provided electronically within the online banking platform. For mobile banking, the disclosures are provided on the Mobile App at login. For our Workplace Banking Product, the materials that are utilized include the optional short title, "Member FDIC".

Q13. If a bank is identified in a nonbank's promotion or advertisement for a deposit product or service, should the advertising statement be required, or conversely, should it be prohibited given that the advertisement is from an uninsured entity?

A13. CNB does not participate in the type of advertisement described but would encourage the FDIC to promulgate rules for such advertising that clearly indicate whether or not the advertised products are FDIC insured and which entity is FDIC insured.

Technological Solutions:

Q14. Do consumers look for the FDIC name or logo when using financial institution websites and apps to confirm the validity of insured institutions' authenticity? Do they look for the logo when deciding to open new deposit accounts? During every interaction?

A14. As CNB has not received any feedback from our customers regarding this issue, we are unable to respond to this question.

Q15. What technological options or other approaches could be utilized to allow consumers to distinguish FDIC-insured banks and savings associations from nonbanks across web and digital channels? What are the benefits and drawbacks of each approach? Is it necessary or desirable for the FDIC to try to "solve" this by rule, or can private sector initiatives better address this issue?

A15. There should be a process for consumers to be able to distinguish FDIC-insured banks and savings associations from nonbanks; however, CNB is not aware of what technological options or other approaches exist today that could be utilized.

Q16. If the FDIC develops a technological solution to allow consumers to distinguish FDIC-insured banks and savings associations from nonbanks across web and digital channels, what challenges would institutions have in implementing such solutions? How would any solution work with third parties that have established legitimate business relationships with banks or savings associations?

A16. CNB would need to understand the complexity of the technological solution before commenting.

Q17. If the FDIC develops a technological solution to allow consumers to distinguish FDIC-insured banks and savings associations from nonbanks across web and digital channels, should its use be limited to FDIC-insured banks, or should third parties that market or facilitate access to deposit products (e.g., prepaid program managers, fintechs) be permitted or required to use such a logo in certain circumstances?

A.17 CNB does not currently have this type of account opening process with a third-party. However, we would like to understand the proposed solutions to ensure the proposal does not create confusion that puts CNB at a competitive disadvantage.

Sincerely,



Cori Ann S. Zinter, AML/CA, CAMS, CRCM, CFCS, CFE
VP, Bank Compliance Officer

Copy: Frank H. Hamlin, President & CEO
A. Rosamond Zatyko, EVP – Chief Administrative Officer
Vicki B. Mandrino, SVP – Chief Compliance Officer

Stephen R. Livingston, VP – Fiduciary Compliance Officer
Karen C. Serinis, EVP – Retail Banking
Gwendolen A. Crawford, SVP – Group Manager, Retail Banking
Christine E. Ensslin, AVP – Retail Operations Officer
Tamra A. B. O'Donnell, SVP – Director of Corporate Marketing
Ashley M. Parker, AVP – Marketing Operations Manager
Denise E. Hildreth, AVP – Traditional Marketing Manager
Megan Moll – Marketing Assistant