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*Via Electronic Submission*

May 24, 2021

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

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

Dear Mr. Sheesley:

The Independent Community Bankers of America (“ICBA”)<sup>1</sup> welcomes the opportunity to comment on the Federal Deposit Insurance Corporation’s (“FDIC”) Request for Information (“RFI”), which seeks input on how the FDIC could revise and clarify its official FDIC deposit insurance sign and advertising rules (“advertising rules”).

### **Background**

The FDIC is issuing this RFI as a means to inform and assess whether its current advertising rules adequately respond to and allow for recent advances in the marketplace, and whether they will sufficiently account for future advances, whatever they may be. The FDI Act requires that insured depository institutions display a sign relating to the insurance of deposits at each place of business maintained by that institution in accordance with regulations issued by the FDIC.

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*<sup>1</sup>The Independent Community Bankers of America® creates and promotes an environment where community banks flourish. ICBA is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education, and high-quality products and services.*

*With nearly 50,000 locations nationwide, community banks constitute 99 percent of all banks, employ more than 700,000 Americans and are the only physical banking presence in one in three U.S. counties. Holding more than \$5 trillion in assets, over \$4.4 trillion in deposits, and more than \$3.4 trillion in loans to consumers, small businesses and the agricultural community, community banks channel local deposits into the Main Streets and neighborhoods they serve, spurring job creation, fostering innovation and fueling their customers’ dreams in communities throughout America. For more information, visit ICBA’s website at [www.icba.org](http://www.icba.org).*

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The FDIC is seeking comment on how consumers connect with banks today, and how technological solutions could better help customers distinguish FDIC-insured banks from nonbanks.

### **ICBA Comments and Response to Questions**

Customers' relationships and interactions with banks have evolved substantially since 2006, the last time FDIC revised its advertising rules. In addition to traditional advertising media, such as television and radio, community banks increasingly advertise their products and services using newer channels, such as email, text, and social media. These are channels and methods that were either nascent or non-existent when the FDIC last revised its advertising rules, and thus, unaddressed. Given that FDIC's current advertising rules hinge on the customer's physical presence and interaction with a bank,<sup>2</sup> FDIC's attention to this matter is timely.

In fact, as FDIC rightly notes in the RFI, many bank depositors never physically interact with their bank, or in some cases, do not even have a physical branch to visit. Instead, many depositors prefer to interact with their bank via digital channels, using remote deposit capture, online bill pay, or money transfer applications.

***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?" (Question 1)***

ICBA is not aware of a situation where the physical attributes of signage need to be revised. Current standards for placards, stickers, and other notifications for physical channels continue to meet the need of informing the depositor. There is significant trust that depositors place in FDIC signage, and ICBA believes that FDIC signage is a benefit that banks are proud to display.

***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? (Question 5)***

The current definition of "Remote Service Facility" appears to adequately cover the various channels of physical deposit-taking. FDIC should continue to make this provision permissive and

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<sup>2</sup> 12 CFR Part 328 (requiring banks to continuously display the FDIC sign where insured deposits are usually and normally received in the bank's principal place of business and at all of its branches and to use an official advertising statement, such as "Member FDIC," when advertising deposit products and services).

not a requirement, though ICBA believes that banks would proudly display FDIC signage, regardless.

***Are FDIC-insured institutions currently displaying a digital representation of the FDIC sign or logo on their websites/mobile apps at account opening? If not, should they do so? (Question 6). 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? (Question 7)***

ICBA is not aware of instances where community banks opt not to digitally display a FDIC sign or logo on websites/mobile applications. However, ICBA does not believe that FDIC should create an explicit requirement for banks to do so. Just as FDIC permits banks to post physical signage at Remote Service Facilities, FDIC should treat digital signage in a similarly permissive manner.

For example, there may be circumstances where a bank might not be able to display the digital sign on phone screens while still providing an accessible user experience. However, as stated above, ICBA believes that banks view FDIC insurance as a differentiator from nonbanks and as something that is worth displaying when possible. This is a strong incentive for banks to display digital signage without creating new requirements.

***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? (Question 9)***

ICBA believes that providing additional permissibility will allow banks to choose which options work best for their physical locations. As stated above, banks are strongly incentivized to display their FDIC-coverage as a way to differentiate themselves from nonbanks and providing additional flexibility could benefit banks that wish to further highlight that difference.

***How do banks currently provide the advertising statement when promoting deposit products through non-traditional channels? (Question 12)***

Some banks have formed relationships with nonbanks, such as fintechs, where the nonbank is the predominant channel for interaction with the consumer, but where the bank provides back-end services for the fintech. This is known as 'banking-as-a-service' ("BaaS"), and sometimes includes providing deposit insurance for customers of the nonbank. Often, these relationships

are referenced via boilerplate disclosures or footnotes on the nonbank’s website, application, or other channel where the consumer interacts.

***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? (Question 13)***

Again, ICBA believes that FDIC coverage of deposits is a benefit, and as such, nonbanks will be incentivized to promote their relationships with insured-banks. While ICBA believes that BaaS signage guidance could provide bright-line usage for BaaS banks, we recommend that FDIC work with state regulators to ensure that nonbanks are not using FDIC signage to deceive consumers as to the status of their deposits or other products, as FDIC does not necessarily have jurisdiction or authority over those entities.

***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? (Question 15)***

ICBA fully supports the Internet Corporation for Assigned Names and Numbers (“ICANN”) “.BANK” initiative with fTLD to provide banks with domains that include enhanced security requirements to protect institutions and their customers.<sup>3</sup> All applicants undergo a thorough verification process before being awarded a domain and must comply with strict registry policies ensuring ongoing compliance with the fTLD security requirements. To become a .BANK Registrant, an organization must be one of the following government regulated entities: retail bank, savings association, national retail bank, or holding or parent company of a retail bank or savings association. This could be a viable option for consumers to easily differentiate between insured banks and nonbank fintechs.

In conclusion, ICBA appreciates the FDIC’s exploration of whether current signage and advertising requirements have kept pace with the way that depositors interact with banks and nonbanks. Technological advancements have certainly increased consumer access to insured banks and the FDIC is taking prudent steps to ensure that depositors continue to be informed

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<sup>3</sup> The .BANK TLD is operated by fTLD Registry Services, LLC—a coalition of banks, insurance companies and financial services trade associations from around the world—which ensures it is governed in the best interests of banks and insurance companies and their customers. fTLD’s mission is to operate a trusted, verified, more secure and easily-identifiable online location for these financial companies and their customers.

and protected. Should you wish to discuss these comments further, please do not hesitate to contact me at [Michael.Emancipator@icba.org](mailto:Michael.Emancipator@icba.org) or 202-659-8111.

Sincerely,



Michael Emancipator  
Vice President and Regulatory Counsel

*The Nation's Voice for Community Banks.*<sup>®</sup>

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