



Regulatory Comment: Proposed Rule on Accuracy of Advertising and Notice of Insured Status

THE ISSUE:

As part of its deregulation project, the NCUA Board issued a proposed rule to streamline regulations governing advertising and the notice of insured status by amending two sections of Part 740. Specifically, it would remove section 740.5, which addresses the official advertising statement, and revise section 740.0 to eliminate references to that statement. These changes are intended to reduce regulatory complexity and administrative burden for federally insured credit unions (FICUs), while providing greater flexibility in advertising practices. The proposed rule would not amend requirements related to displaying the official sign, ensuring that members continue to receive clear and accurate information about share insurance coverage through existing disclosures.

IMPACT TO CREDIT UNIONS:

The proposed rule would not create new compliance requirements for FICUs. Instead, it would remove prescriptive provisions related to the official advertising statement, with the intent to reduce compliance burden and provide credit unions with more flexibility in how insured status is communicated across different advertising channels. Requirements related to the official sign would not be changed, maintaining existing member disclosures. For many credit unions, particularly those using digital or nontraditional advertising platforms, the proposal could simplify compliance processes and reduce administrative effort, without changing core safety and soundness expectations or member protections.

KEY POINTS:

- The proposal eliminates requirements related to the official advertising statement by removing section 740.5 and corresponding references in section 740.0.
- It reduces regulatory complexity and compliance burden by removing outdated, prescriptive advertising requirements that no longer reflect modern marketing practices.
- The proposal provides FICUs with greater flexibility in advertising, including digital and nontraditional channels.
- Requirements related to the official sign remain unchanged, ensuring members continue to receive clear and accurate information about share insurance coverage.
- The proposal is intended to align Part 740 with current industry practices while maintaining consumer protection objectives.

ACTION NEEDED: Deadlines and contacts

Please use the comment link below to respond to America's Credit Unions survey regarding the Accuracy of Advertising and Notice of Insured Status proposal. This will help shape the discussion and better address your needs in our comment letter.

- Comments due to America's Credit Unions: February 11, 2026 — [Submit here](#).
- Comments due to NCUA by February 27, 2026
- Questions? Contact [Luke Martone](#), Regulatory Advocacy Senior Counsel
- Agency contact: Rachel Ackmann (NCUA Senior Attorney) 703-518-6540

ANALYSIS:

Section 205(a) of the FCU Act requires each FICU to display a sign relating to the insurance of its share accounts. The NCUA implements this requirement in Part 740 of its rules, which also

includes a requirement that each FICU include an official advertising statement related to share insurance in all advertisements.

The NCUA has proposed changes to Part 740 that would remove requirements related to the official advertising statement and eliminate related references, with the goal of simplifying advertising regulations for FICUs. The proposal would maintain existing official sign requirements to ensure members continue to receive clear information about share insurance coverage.

Proposed Rule

Section 740.5 establishes the specific requirements for the official advertising statement. It requires FICUs, unless an exemption applies, to include an official advertising statement in all advertisements. Acceptable statements include “This credit union is federally insured by the National Credit Union Administration,” “Federally insured by NCUA,” “Insured by NCUA,” or a reproduction of the official sign. The regulation further requires the statement to be clearly legible and displayed in a font no smaller than the smallest font used for other consumer information in the advertisement. Section 740.5 also includes numerous exemptions, specifying that the official statement is not required for certain materials, such as stationery, checks, signs within a credit union’s office, directory listings, radio and television advertisements of 30 seconds or less, promotional items where inclusion is impractical, and advertisements unrelated to member accounts, including those for loans or safe deposit box services.

The NCUA has proposed to eliminate section 740.5 because it imposes an unnecessary compliance burden on FICUs that is disproportionate to its limited public benefit. The rule’s highly prescriptive requirements, including specific mandated language and a complex list of exceptions covering a wide range of advertising formats, require FICUs to devote administrative resources to compliance. According to the agency, this approach is inflexible and poorly suited to the modern advertising environment, particularly for digital and social media platforms, where space is limited and communications must be concise.

The NCUA also believes the rule is largely unnecessary because its core objective—ensuring members are aware of their federal share insurance coverage—is already achieved through other, more direct provisions of Part 740. The agency has long emphasized the importance of consumers understanding that share accounts at FICUs are federally insured, and it has previously concluded that the benefits of the advertising statement, including increased consumer confidence and agency name recognition, outweighed the relatively modest compliance burden. However, the NCUA now believes those objectives are better accomplished through other regulatory requirements.

First, section 740.4, which would not be amended by this proposal, requires FICUs to display the official NCUA sign in their offices and on websites where members can open share accounts and deposit funds. These requirements ensure that members receive prominent notice of their insured status at key points of transaction and interaction. Second, section 740.2 requires that FICU advertising be accurate and truthful. This provision ensures that when a FICU references federal share insurance in an advertisement, it does so accurately and without misleading implications, such as clearly disclosing when a product is not insured. As a result, the additional requirement to include a specific advertising statement in all advertisements is largely redundant and does not materially enhance member protection in a manner that justifies the associated compliance costs.

The proposed elimination of the official advertising statement requirement is further supported by the absence of any statutory mandate. While the FCU Act expressly directs the NCUA to issue regulations governing the display of the official sign, it does not require the agency to establish or enforce a separate advertising statement applicable to all advertisements. Because the requirement is not compelled by statute and imposes unnecessary burden, the NCUA views its removal as an appropriate step toward streamlining the regulatory framework. FICUs would remain free to include an advertising statement voluntarily, provided it is not inaccurate or deceptive.

Finally, the proposed rule would amend section 740.0, which defines the scope of Part 740. Because that section currently references the official advertising statement, retaining those

references after eliminating section 740.5 would be inaccurate and potentially confusing. Accordingly, the proposal would remove references to the advertising statement from section 740.0 to align the scope provision with the revised regulatory framework.

QUESTIONS TO CONSIDER:

- 1) The proposal would eliminate the requirement to include an official advertising statement in most advertisements. Consistent with its intent, would this change reduce compliance burden or review time for your credit union's marketing and compliance staff?
- 2) Are there specific advertising channels (such as digital, mobile, social media, or promotional items) where the current official advertising statement requirement creates practical challenges that this proposal would address?
- 3) With the removal of section 740.5, do the remaining requirements in sections 740.2 and 740.4 provide sufficient clarity regarding how and when federal share insurance should be disclosed in advertising?
- 4) Do you anticipate any confusion among members or staff as a result of eliminating the official advertising statement requirement, or do existing disclosures adequately address insured status?
- 5) Would the proposal simplify internal advertising review and approval processes, including coordination with vendors or third-party marketing firms?
- 6) Are there any unintended consequences or compliance risks that could arise from removing the official advertising statement requirement, particularly during examinations?
- 7) Any other comments regarding these regulations.