



COMPLIANCE REQUIREMENTS BY FUNCTIONAL AREA

Advertising

Truth in Lending Act

Regulation Z

12 CFR 226

Open-End Credit Advertising Requirements

[Section 226.16]

The basic components of the open-end credit advertising requirements are as follows:

Available Terms: Advertisements may only state those credit terms that actually are or will be available.

Triggering Terms: If any of the terms required to be disclosed under Section 226.6 (Initial Disclosure Statement) is included in an advertisement, the advertisement must also clearly and conspicuously set forth (i) any minimum, fixed, transaction, activity or similar charge that may be imposed; (ii) any applicable periodic rate (and if the plan provides for a variable period rate, that fact must be disclosed); and (iii) any membership or participation fee that could be imposed.

Catalogues and multiple-page advertisements: If a catalogue or multiple-page advertisement that gives information in a table or schedule in sufficient detail to allow determination of the disclosures required by paragraph (b) of Section 226.16, it will be considered a single advertisement if the table or schedule is clear and conspicuous and any Section 226.6 terms appearing elsewhere clearly refer to the page on which the table or schedule begins.

Additional requirements for home equity plans: Describes requirements for home equity plans relating to: (i) advertisement of terms requiring additional disclosure (triggering terms); (ii) discounted and premium rates; (iii) balloon payments; (iv) tax implications; and (v) misleading terms.

Closed-End Credit Advertising Requirements

[Section 226.24]

The basic components of the closed-end credit advertising requirements are as follows:

Available Terms: Advertisements may only state those credit terms that actually are or will be available.

Advertisement of Rate of Finance Charge: If a credit advertisement states a rate of finance charge, it must state the rate as an "annual percentage rate" using that term. If the APR may be increased after consummation, that fact must be stated. The advertisement may also state a simple annual rate or periodic rate in conjunction with, but not more conspicuously than, the APR.



Triggering Terms: If an advertisement sets forth: (i) the amount or percentage of any downpayment, (ii) the number of payments or period of repayment; (iii) the amount of any payment; or (iv) the amount of any finance charge, the following terms must also be included in the advertisement: (a) the amount or percentage of the downpayment, (b) the terms of repayment, (c) the “annual percentage rate,” using that term and the fact that the rate may be increased after consummation (if applicable).

Catalogues and multiple-page advertisements: If a catalogue or multiple-page advertisement that gives information in a table or schedule in sufficient detail to allow determination of the disclosures required by paragraph (c)(2) of Section 226.24, it will be considered a single advertisement if: (i) the table or schedule is clearly set forth and (ii) any statement of the credit terms in paragraph (c)(1) of Section 226.24 appearing elsewhere in the catalogue or advertisement clearly refers to the page on which the table or schedule begins.

Equal Credit Opportunity Act

Regulation B

12 CFR 202

No Discouraging Applications on a Prohibited Basis

[Section 202.5]

A creditor is not permitted to make statements that discourage applicants or prospective applicants on a prohibited basis from making or pursuing an application.

OTS Nondiscrimination Regulations

12 CFR 528

Nondiscriminatory Advertising

[Section 528.4]

An institution may not directly or indirectly engage in any form of advertising which implies or suggests a policy of discrimination or exclusion in violation of the FHA, the ECOA, or the nondiscrimination requirements of 12 CFR 528 et seq. Advertisements, other than for savings, must include a facsimile of the prescribed equal housing lender logotype and legend.



Electronic Fund Transfer Act

Regulation E

12 CFR 205

Unsolicited Distribution of Access Devices

[Section 205.5(b)]

An institution may distribute an access device to a consumer on an unsolicited basis provided that the device is not validated, required disclosures are made and the device may be validated only in response to the consumer's oral or written request. In addition, the access device must be accompanied by a clear explanation that the device is not validated and how the consumer may dispose of it if validation is not desired.

Truth in Savings Act

Regulation DD

12 CFR 230

Advertising Requirements

[Section 230.8]

Advertisements, defined as commercial messages in any medium that directly or indirectly promote the availability of, or a deposit in, an account, must meet certain regulatory requirements. Specifically, advertisements: (i) may not be misleading or inaccurate; (ii) must state rates of return as APY; (iii) must include additional disclosures if APY is stated; (iv) must provide additional information if a bonus is stated; and (v) may utilize abbreviated disclosure rules if advertisement is made through certain types of media.

Advertisements are not permitted to refer to or describe an account as "free" or "no cost" if any maintenance or activity fee may be imposed on the account. In addition, the word "profit" shall not be used in referring to interest paid on an account.

OTS Advertising Regulation

12 CFR 563

Advertising

[Section 563.27]

Savings associations are not permitted to use advertising or make any representation which is inaccurate in any particular or which in any way misrepresents its services, contracts, investments, or financial condition.



Consumer Protection for Depository Institution Sales of Insurance 12 CFR 536

Advertising Requirements [Section 536.40 (c)]

Insurance disclosures may be provided in a short form using the language specified in paragraph 536.40 (c) (5). These short form insurance disclosures may be used in visual media, such as television, radio, ATM screens, signs, posters and written advertisements and promotional materials, such as brochures. There is no short form language for credit disclosures.

General Rule [Section 536.50 (d)]

Disclosure requirements do not apply to advertisements and promotional material of a general nature, describing or listing services or products offered.

OTS Advertising Regulation 12 CFR 563

Advertising [Section 563.27]

Savings associations are not permitted to use advertising or make any representation which is inaccurate in any particular or which in any way misrepresents its services, contracts, investments, or financial condition.