

regulations of the Office of Management and Budget.

The Treasury and General Government Appropriations Act, 1999—Assessment of Federal Regulations and Policies on Families

The NCUA has determined that this proposed rule will not affect family well-being within the meaning of section 654 of the Treasury and General Government Appropriations Act, 1999, Pub. L. 105-277, 112 Stat. 2681 (1998).

Small Business Regulatory Enforcement Fairness Act

The Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104-121) provides generally for congressional review of agency rules. A reporting requirement is triggered in instances where NCUA issues a final rule as defined by Section 551 of the Administrative Procedure Act. 5 U.S.C. 551. The Office of Management and Budget has determined that this final rule is not a major rule for purposes of the Small Business Regulatory Enforcement Fairness Act of 1996.

Agency Regulatory Goal

NCUA's goal is to promulgate clear and understandable regulations that impose minimal regulatory burden. We requested comments on whether the proposed rules were understandable and minimally intrusive if implemented as proposed. We received no comments specifically directed to whether the rule was understandable. Almost all the commenters agreed that the rule reduced the current regulatory burden on FCUs and so was not intrusive.

List of Subjects in 12 CFR Part 701

Credit unions, Fair housing, Signs and symbols.

By the National Credit Union Administration Board, on September 13, 2001.

Becky Baker, Secretary of the Board.

For the reasons stated above, the National Credit Union Administration amends 12 CFR part 701 as set forth below:

PART 701—ORGANIZATION AND OPERATIONS OF FEDERAL CREDIT UNIONS

1. The authority citation for part 701 continues to read as follows:

Authority: 12 U.S.C. 1752(5), 1755, 1756, 1757, 1759, 1761a, 1761b, 1766, 1767, 1782, 1784, 1787, and 1789. Section 701.6 is also authorized by 31 U.S.C. 3717. Section 701.31 is also authorized by 15 U.S.C. 1601 *et seq.*; 42 U.S.C. 1981 and 3601-3619. Section

701.35 is also authorized by 42 U.S.C. 4311-4312.

2. In § 701.31, revise paragraph (d) introductory text and paragraphs (d)(1) and (d)(2) to read as follows:

§ 701.31 Nondiscrimination requirements.

* * * * *

(d) *Nondiscrimination in advertising.* No federal credit union may engage in any form of advertising of real estate-related loans that indicates the credit union discriminates on the basis of race, color, religion, national origin, sex, handicap, or familial status in violation of the Fair Housing Act. Advertisements must not contain any words, symbols, models or other forms of communication that suggest a discriminatory preference or policy of exclusion in violation of the Fair Housing Act or the Equal Credit Opportunity Act.

(1) *Advertising notice of nondiscrimination compliance.* Any federal credit union that advertises real estate-related loans must prominently indicate in such advertisement, in a manner appropriate to the advertising medium and format used, that the credit union makes such loans without regard to race, color, religion, national origin, sex, handicap, or familial status.

(i) With respect to written and visual advertisements, a credit union may satisfy the notice requirement by including in the advertisement a copy of the logotype, with the legend "Equal Housing Lender," from the poster described in paragraph (d)(3) of this section or a copy of the logotype, with the legend "Equal Housing Opportunity," from the poster described in § 110.25(a) of the United States Department of Housing and Urban Development's (HUD) regulations (24 CFR 110.25(a)).

(ii) With respect to oral advertisements, a credit union may satisfy the notice requirement by a spoken statement that the credit union is an "Equal Housing Lender" or an "Equal Opportunity Lender."

(iii) When an oral advertisement is used in conjunction with a written or visual advertisement, the use of either of the methods specified in paragraphs (d)(1)(i) or (ii) of this section will satisfy the notice requirement.

(iv) A credit union may use any other method reasonably calculated to satisfy the notice requirement.

(2) *Lobby notice of nondiscrimination.* Every federal credit union that engages in real estate-related lending must display a notice of nondiscrimination. The notice must be placed in the public lobby of the credit union and in the public area of each office where such

loans are made and must be clearly visible to the general public. The notice must incorporate either a facsimile of the logotype and language appearing in paragraph (d)(3) of this section or the logotype and language appearing at 24 CFR 110.25(a). Posters containing the logotype and language appearing in paragraph (d)(3) of this section may be obtained from the regional offices of the National Credit Union Administration.

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NATIONAL CREDIT UNION ADMINISTRATION

12 CFR Part 707

Truth in Savings

AGENCY: National Credit Union Administration (NCUA).

ACTION: Interim final rule; lifting mandatory compliance date.

SUMMARY: On June 21, 2001, NCUA published an interim final rule with request for comments amending its regulation that implements the Truth in Savings Act (TISA). The rule established uniform standards for the electronic delivery of disclosures required by TISA. NCUA established October 1, 2001 as the mandatory compliance date for the rule. As a result of concerns raised by commenters, NCUA is considering revising the rule to provide additional flexibility. Accordingly, NCUA is lifting the mandatory compliance date. Once a permanent final rule is issued, NCUA will afford credit unions a reasonable period of time to comply with the rule.

DATE: The mandatory compliance date of October 1, 2001 for the interim final rule published at 66 FR 33159 (June 21, 2001) is lifted.

FOR FURTHER INFORMATION CONTACT: Frank S. Kressman, Staff Attorney, at the above address or telephone: (703) 518-6540.

SUPPLEMENTARY INFORMATION:

A. Background

Part 707 of NCUA's regulations implements TISA. 12 CFR part 707. The purpose of part 707 and TISA is to assist members in making meaningful comparisons among accounts offered by credit unions and other financial institutions. Part 707 and TISA require, among other things, disclosure of yields, fees and other terms concerning share accounts to members at account opening, upon request, when changes in terms occur and in periodic statements.

Many of these disclosures must be written.

In April 2001, The Board of Governors of the Federal Reserve System (Federal Reserve) issued an interim rule amending its Regulation DD, which implements TISA (April 2001 Interim Rule). 66 FR 17795 (April 4, 2001). That rule established uniform standards for the timing and electronic delivery of disclosures required by TISA and Regulation DD, and addressed electronic advertisements.

TISA requires NCUA to promulgate regulations substantially similar to those promulgated by the Federal Reserve within 90 days of the effective date of the Federal Reserve's rules. 12 U.S.C. 4311(b). In doing so, NCUA is to take into account the unique nature of credit unions and the limitations under which they may pay dividends on member accounts. In compliance with TISA, NCUA published an interim final rule with request for comments in June 2001 that is substantially similar to the Federal Reserve's April 2001 Interim Rule. 66 FR 33159 (June 21, 2001).

B. Lifting the Mandatory Compliance Date

In August 2001, the Federal Reserve issued an interim final rule that lifted the October 1, 2001 mandatory compliance date. This enables the Federal Reserve to address concerns noted by commenters regarding operational issues raised by the April 2001 Interim Rule. Accordingly, to fulfill our statutory obligation under TISA, the NCUA is also lifting the October 1, 2001 mandatory compliance date.

Credit unions may continue to provide electronic disclosures under their existing policies and practices if they comply with the Electronic Signatures in Global and National Commerce Act (E-Sign Act), as discussed more fully below, or they may follow the interim rule issued by NCUA in June 2001, until the NCUA issues a permanent rule.

C. Withdrawal of the 1999 Interim Rule Unaffected

The E-Sign Act was enacted in June 2000, to encourage the continued expansion of electronic commerce. It generally provides that electronic documents and signatures have the same validity as paper documents and handwritten signatures. It provides that consumer disclosures may be provided in electronic form only if the consumer affirmatively consents after receiving information specified in the statute. The consumer consent provisions in the E-Sign Act became effective October 1,

2000. In September 1999, before enactment of the E-Sign Act, the Federal Reserve issued an interim rule that also amended Regulation DD (September 1999 Interim Rule), but did not specify the manner or form of consumer's consent to electronic disclosures. 64 FR 49846 (September 14, 1999). With the issuance of the April 2001 Interim Rule, which sets forth the general rule that an institution subject to Regulation DD may provide disclosures electronically only if the institution complies with § 101(c) of the E-Sign Act, the Federal Reserve has withdrawn the September 1999 Interim Rule. The lifting of the October 1, 2001 mandatory compliance date has no effect on the withdrawal of the September 1999 Interim Rule.

Interim Final Rule

The NCUA Board is issuing this rule as an interim final rule because there is a strong public interest in having in place consumer oriented rules that are consistent with those recently promulgated by the Federal Reserve. Additionally, as discussed above, NCUA is statutorily required to issue rules substantively similar to those of the Federal Reserve within 90 days of the effective date of the Federal Reserve's rules. Accordingly, for good cause, the Board finds that, pursuant to 5 U.S.C. 553(b)(3)(B), notice and public procedures are impracticable, unnecessary, and contrary to the public interest; and, pursuant to 5 U.S.C. 553(d)(3), the rule will be effective immediately and without 30 days advance notice of publication.

Regulatory Procedures

Regulatory Flexibility Act

The Regulatory Flexibility Act requires NCUA to prepare an analysis to describe any significant economic impact agency rulemaking may have on a substantial number of small credit unions. For purposes of this analysis, credit unions under \$1 million in assets are considered small credit unions.

This interim final rule provides credit unions with the flexibility of voluntarily using an optional and alternative method of delivering certain required disclosures. Credit unions are free to choose not to utilize this alternative. Credit unions that choose to use this alternative will likely realize a reduction in their costs of delivery as a result. The NCUA has determined and certifies that this interim final rule will not have a significant economic impact on a substantial number of small credit unions. Accordingly, the NCUA has determined that a Regulatory Flexibility Analysis is not required.

Paperwork Reduction Act

NCUA has determined that these amendments to part 707 do not increase paperwork requirements under the Paperwork Reduction Act of 1995 and regulations of the Office of Management and Budget.

Executive Order 13132

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their regulatory actions on state and local interests. In adherence to fundamental federalism principles, NCUA, an independent regulatory agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order. This interim final rule applies to all federally-insured credit unions, but does not have substantial direct effect on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government. NCUA has determined that this interim final rule does not constitute a policy that has federalism implications for purposes of the executive order.

Assessment of Federal Regulations and Policies on Families

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List of Subjects in 12 CFR Part 707

Advertising, Consumer protection, Credit unions, Reporting and recordkeeping requirements, Truth in savings.

By the National Credit Union Administration Board on September 13, 2001.

Becky Baker,

Secretary of the Board.

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