

torney General's judgment, are necessary and appropriate to the effective administration of this subchapter.

(Pub. L. 101-647, title XXV, §2594, Nov. 29, 1990, 104 Stat. 4906.)

CHAPTER 44—TRUTH IN SAVINGS

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§ 4301. Findings and purpose

(a) Findings

The Congress hereby finds that economic stability would be enhanced, competition between depository institutions would be improved, and the ability of the consumer to make informed decisions regarding deposit accounts, and to verify accounts, would be strengthened if there was uniformity in the disclosure of terms and conditions on which interest is paid and fees are assessed in connection with such accounts.

(b) Purpose

It is the purpose of this chapter to require the clear and uniform disclosure of—

- (1) the rates of interest which are payable on deposit accounts by depository institutions; and
- (2) the fees that are assessable against deposit accounts,

so that consumers can make a meaningful comparison between the competing claims of depository institutions with regard to deposit accounts.

(Pub. L. 102-242, title II, §262, Dec. 19, 1991, 105 Stat. 2334.)

Statutory Notes and Related Subsidiaries

SHORT TITLE

Pub. L. 102-242, title II, §261, Dec. 19, 1991, 105 Stat. 2334, provided that: "This subtitle [subtitle F (§§261-274) of title II of Pub. L. 102-242, enacting this chapter] may be cited as the 'Truth in Savings Act'."

SEPARABILITY

If any provision of Pub. L. 102-242 or any application of any provision thereof to any person or circumstance is held invalid, the remainder of Pub. L. 102-242 and the application of any remaining provision of such Act to any other person or circumstance not to be affected by such holding, see section 481 of Pub. L. 102-242, set out as a note under section 1811 of this title.

§ 4302. Disclosure of interest rates and terms of accounts

(a) In general

Except as provided in subsections (b) and (c), each advertisement, announcement, or solici-

tion initiated by any depository institution or deposit broker relating to any demand or interest-bearing account offered by an insured depository institution which includes any reference to a specific rate of interest payable on amounts deposited in such account, or to a specific yield or rate of earnings on amounts so deposited, shall state the following information, to the extent applicable, in a clear and conspicuous manner:

- (1) The annual percentage yield.
- (2) The period during which such annual percentage yield is in effect.
- (3) All minimum account balance and time requirements which must be met in order to earn the advertised yield (and, in the case of accounts for which more than 1 yield is stated, each annual percentage yield and the account minimum balance requirement associated with each such yield shall be in close proximity and have equal prominence).
- (4) The minimum amount of the initial deposit which is required to open the account in order to obtain the yield advertised, if such minimum amount is greater than the minimum balance necessary to earn the advertised yield.
- (5) A statement that regular fees or other conditions could reduce the yield.
- (6) A statement that an interest penalty is required for early withdrawal.

(b) Broadcast and electronic media and outdoor advertising exception

The Bureau may, by regulation, exempt advertisements, announcements, or solicitations made by any broadcast or electronic medium or outdoor advertising display not on the premises of the depository institution from any disclosure requirements described in paragraph (4) or (5) of subsection (a) if the Bureau finds that any such disclosure would be unnecessarily burdensome.

(c) Disclosure required for on-premises displays

The disclosure requirements contained in this section shall not apply to any sign (including a rate board) disclosing a rate or rates of interest which is displayed on the premises of the depository institution if such sign contains—

- (1) the accompanying annual percentage yield; and
- (2) a statement that the consumer should request further information from an employee of the depository institution concerning the fees and terms applicable to the advertised account.

(d) Misleading descriptions of free or no-cost accounts prohibited

No advertisement, announcement, or solicitation made by any depository institution or deposit broker may refer to or describe an account as a free or no-cost account (or words of similar meaning) if—

- (1) in order to avoid fees or service charges for any period—
 - (A) a minimum balance must be maintained in the account during such period; or
 - (B) the number of transactions during such period may not exceed a maximum number; or