

## BANKING DIVISION

### BULLETIN

Banking Bulletin No. 37

October 5, 2012

This bulletin is to clarify the application of 8 V.S.A. § 14103 to state-chartered credit unions.

1. A state chartered credit union must not describe itself as a “banking cooperative,” banking co-op,” “bank,” “banking association,” “trust company,” or other similar sounding word or name in its advertising and marketing.

2. Any state chartered credit union using the phrases referred to in ¶ 1 above in its marketing and advertising material must discontinue that use starting November 15, 2012.

3. The Department will not take regulatory action against a state chartered credit union under 8 V.S.A. § 14103 as long as that credit union refrains from referring to *itself* as a “banking cooperative,” banking co-op, “bank,” “banking association”, “cooperative bank,” “trust company,” or other similar sounding word or name in any future advertisements or marketing materials. As more fully set forth below, a state chartered credit union is not prohibited from using the word “bank” or any derivative of the word “bank” to describe its *services* or to differentiate itself from a bank.

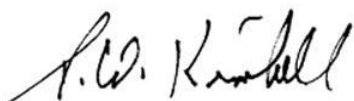
4. (i) For purposes of this paragraph (4), the term “services” means soliciting, receiving or accepting money or its equivalent on deposit, extending loans and financing of any kind, escrow services, investment services, and money transfers of all kinds, including without limitation bill-paying and debit card services, Automated Clearing House transfers, and wire transfers.

(ii) For purposes of this paragraph (4), the term “advertisements” is limited to advertisements ordinarily accessible by or directed to non-members and purchased and placed by or on behalf of a state chartered credit union in print, radio, internet/electronic and television media, hyperlink or search engine designated landing pages supporting electronic media, promotional

material in any media, and pages on a website maintained by or on behalf of a state chartered credit union. The term “advertisements” as used in this paragraph (4) does not include items used solely to promote the state chartered credit union’s brand without reference to services as defined in this paragraph (4). Such excluded items may include, by way of example only, gifts, premiums, and the display of a state chartered credit union’s logo and slogans.

(iii) When a state chartered credit union uses the terms “bank” or “banking” or derivative terms or phrases in advertisements (as limited in this paragraph (4)) in which a state chartered credit union refers to its services (as defined in this paragraph (4)) it will disclose that it is a credit union. The disclosure that a state chartered credit union is a credit union will be clear and conspicuous so that reasonable consumers can read, see or hear and understand the information.

(iv) Notwithstanding any other provision of this paragraph (4), when a state chartered credit union uses the terms “bank” or “banking” or derivative terms or phrases in the text of hyperlinks or search engine designated links, it need not include the term “credit union” in the text of the link but a state chartered credit union will disclose on the landing page of those links that it is a credit union. The disclosure that a state chartered credit union is a credit union will be clear and conspicuous so that reasonable consumers can read, see or hear and understand the information.



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Stephen W. Kimbell, Commissioner