

that the rate of assessment for each fiscal year apply to all assessable olives handled during such period. The 2003 fiscal year began on January 1, 2003, and the committee needs sufficient funds to pay its authorized expenses, which are incurred on a continuous basis. Further, handlers are aware of this rule which was unanimously recommended at a public meeting. Also, a 30-day comment period was provided for in the proposed rule and no comments were received.

#### List of Subjects in 7 CFR Part 932

Marketing agreements, Olives, Reporting and recordkeeping requirements.

■ For the reasons set forth in the preamble, 7 CFR part 932 is amended as follows:

#### PART 932—OLIVES GROWN IN CALIFORNIA

■ 1. The authority citation for 7 CFR part 932 continues to read as follows:

**Authority:** 7 U.S.C. 601–674.

■ 2. Section 932.230 is revised to read as follows:

##### § 932.230 Assessment rate.

On and after January 1, 2003, an assessment rate of \$13.89 per ton is established for California olives.

Dated: April 28, 2003.

A.J. Yates,

Administrator, Agricultural Marketing Service.

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#### NATIONAL CREDIT UNION ADMINISTRATION

##### 12 CFR Part 740

##### Accuracy of Advertising and Notice of Insured Status

**AGENCY:** National Credit Union Administration.

**ACTION:** Final rule.

**SUMMARY:** The National Credit Union Administration (NCUA) is revising its rule governing advertising and the requirements for use of the official sign and official advertising statement regarding insured status. The revision modernizes and streamlines the rule for ease of reference and addresses the growing use of the Internet for member transactions and the use of trade names in advertising.

**EFFECTIVE DATE:** This rule is effective July 1, 2003.

#### FOR FURTHER INFORMATION CONTACT:

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#### SUPPLEMENTARY INFORMATION:

##### I. Background

On September 19, 2002, the NCUA Board (the Board) approved the publication of a proposal to update and streamline Part 740, NCUA's regulation requiring accuracy and honesty in insured credit union (CU) advertising and governing a CU's use of the official sign and official advertising statement to inform members of federal share insurance coverage. 67 FR 60604 (September 26, 2002).

*The Official Sign:* The regulation requires CUs to display the official sign, which sets out in large type "NCUA" and in smaller type states, "Your savings federally insured to \$100,000," at each teller station or window where insured account funds or deposits are normally received. The purpose of the rule is to ensure that, at the time they deposit funds or transact business with an insured CU, members are informed of the fact that federal share insurance applies to their accounts.

*The Official Advertising Statement:* The regulation, although containing various exemptions, also requires a CU to include the official advertising statement in any advertising including marketing materials in print, radio or television. The official advertising statement must state in substance, "This credit union is federally insured by the National Credit Union Administration." Alternatively, the CU may use the short form advertising statement, "Federally insured by NCUA" with a reproduction of the official sign described above.

The proposal clarified the rule's application to Internet advertisements and member transactions on CU Web sites. It also incorporated legal interpretations permitting CUs to use trade or other names in advertisements and made other minor changes, including rewording it in a plain English style and placing the provisions regarding advertising excess insurance in a separate subsection.

##### II. Comments

NCUA received fourteen comments from the public. Seven commenters expressed their support for the amendment permitting the use of trade names in advertising. The proposal stated that, while CUs may use trade or other names in advertising, they must use their official charter name in all

official or legal documents. The proposal did not include share certificates among the official or legal documents in which CUs must identify themselves with their official charter name. This was an inadvertent omission that has been corrected in the final rule. The purpose in excluding the use of trade names in official or legal documents is to ensure that members do not misinterpret the level of share insurance available to them. The Board agrees with a commenter who suggested that if a CU used the full charter name the first time it appears in a legal document and an acronym later in the same document members would be sufficiently informed about the identity of the CU and the availability of share insurance.

Thirteen commenters supported the requirement to use the official sign and official advertising statement on Internet Web sites, with five stating that the revised rule offered CUs flexibility and would not impose a significant burden. One commenter emphasized that the benefit to consumers would far outweigh any cost incurred by the credit union. Two state leagues stated that most of their credit unions were already in compliance.

Six commenters, while supportive of the proposal, suggested that NCUA permit CUs to alter the official sign's color and font sizes to ensure it is legible and visually prominent on an Internet screen. Although the proposed rule did not suggest any changes to the color or font size of the official sign, the Board agrees that the official sign must be legible to fulfill the purpose of the rule. The Board believes that additional flexibility may be helpful given the size constraints of an Internet screen and the rule's requirement that the sign appear on the same page where other information will also appear. For that reason, the Board is including in the final rule a provision that CUs may vary the font size of the text within the official sign to ensure the text is legible. The Board also recognizes that CUs may find the requirement in the current rule that the official sign appear in blue with white lettering to be unduly restrictive. Many CUs devote significant resources to the design and aesthetics of their Web sites, with a focus on attracting both new and existing members to view the information and transact business. Some commenters were concerned that the traditional colors might be less visible or contrast with CU Web site designs. The Board is most concerned that the message of the official sign is conveyed clearly. The Board also does not want CUs to be unnecessarily restricted in the color or design of their Web sites by the