

need to display the official sign in only the traditional colors of blue and white. In the past, NCUA has been asked to consider similar flexibility in the color of the official signs CUs display at teller windows or stations at "brick and mortar" locations. The Board sees no reason why CUs should not use the colors of their choosing on the official signs they display both on CU Web sites and in their lobbies. For these reasons, the Board has eliminated from the final rule the requirement that the official sign, have a blue background with white lettering. NCUA will continue to supply CUs with official signs, but will produce them only in the traditional blue and white.

Six commenters also stated that it is unnecessary to require the official sign or advertising statement on Internet pages other than the credit union main page. As an alternative two commenters suggest that the rule only require the official sign on the main page and the log-on screen where members identify themselves in order to conduct transactions on-line, or a membership application page or pages advertising deposit-related products. The Board agrees with these suggestions. All CU Internet sites that permit members to conduct transactions require members to identify themselves on a log-on screen. Displaying the official sign there will provide adequate notice of federal share insurance to the member. Further, displaying the official sign or advertising statement on the page where a viewer can apply for membership or see an advertisement for an insured deposit or share-related product will ensure that the message about federal share insurance is available when it is most relevant.

One commenter suggested that CUs that currently do not display an official sign or advertising statement on their Web sites may need additional time to comply with the proposed changes. The Board wishes to permit CUs ample opportunity to incorporate the official sign and advertising statement into their Web sites, so it is adopting an effective date 60 days following publication of the final rule.

The final rule is identical to the proposed rule with the exception of minor editorial changes, the addition of share certificates among the official or legal documents in which CUs must identify themselves with their official charter name, the provision permitting CUs to use alternative font sizes in the official sign displayed on their Internet Web sites and the elimination of the color requirement for the official sign.

III. Regulatory Procedures

Regulatory Flexibility Act

The Regulatory Flexibility Act requires NCUA to prepare an analysis to describe any significant economic impact any proposed regulation may have on a substantial number of small entities (those under \$1 million in assets). The final amendments will not have a significant economic impact on a substantial number of small credit unions and, therefore, a regulatory flexibility analysis is not required.

Paperwork Reduction Act

NCUA has determined that the final regulation does 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 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. The executive order states that: "National action limiting the policymaking discretion of the states shall be taken only where there is constitutional and statutory authority for the action and the national activity is appropriate in light of the presence of a problem of national significance." This rule will apply to both federal and state credit unions. It does not significantly change the current regulatory framework. It will not have a substantial direct effect on states, 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 the rule does not constitute a policy that has federalism implications for purposes of this executive order.

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

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

Agency Regulatory Goal

NCUA's goal is to promulgate clear and understandable regulations that

impose minimal regulatory burden. The regulatory change is understandable and imposes minimal regulatory burden.

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 found that this rule is not a major rule for purposes of the Small Business Regulatory Enforcement Fairness Act of 1996.

List of Subjects 12 CFR Part 740

Advertisements, Credit unions.

By the National Credit Union Administration Board on April 24, 2003.

Becky Baker,

Secretary of the Board.

■ For the reasons set forth in the preamble, NCUA revises 12 CFR part 740 as follows:

PART 740—ACCURACY OF ADVERTISING AND NOTICE OF INSURED STATUS

Sec.

740.0 Scope.

740.1 Definitions.

740.2 Accuracy of advertising.

740.3 Advertising of excess insurance.

740.4 Requirements for the official sign.

740.5 Requirements for the official advertising statement.

■ The authority citation for part 740 continues to read as follows:

Authority: 12 U.S.C. 1766, 12 U.S.C. 1781, 12 U.S.C. 1789.

§ 740.0 Scope.

This part applies to all federally insured credit unions. It prescribes the requirements for the official sign insured credit unions must display and the requirements with regard to the official advertising statement insured credit unions must include in their advertisements. It requires that all other kinds of advertisements be accurate. It also establishes requirements for advertisements of excess insurance.

§ 740.1 Definitions.

(a) *Account* or *accounts* as used in this part means share, share certificate or share draft accounts (or their equivalent under state law, as determined by the Board in the case of insured state credit unions) of a member (which includes other credit unions, public units, and nonmembers where