



May 24, 2021

VIA E-MAIL ONLY

James P. Sheesley, Assistant Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429
Comments@fdic.gov
Docket ID: RIN 3064-ZA14

RE: Request for Comment on FDIC Official Sign and Advertising Requirements and Potential Technological Solutions: RIN 3064-ZA14

Dear Assistant Executive Secretary Sheesley,

The Wisconsin Bankers Association (WBA) is the largest financial trade association in Wisconsin, representing approximately 220 state and nationally chartered banks, savings and loan associations, and savings banks. WBA appreciates the opportunity to comment on the Federal Deposit Insurance Corporation's (FDIC's) request for information regarding its official sign and advertising requirements and potential technological solutions.

WBA appreciates the efforts of FDIC to seek information about how technology and other solutions could be leveraged to help consumers better distinguish FDIC-insured banks and savings associations from associations that are not insured by FDIC, particularly across web and digital channels. To that end, WBA offers the following comments.

FDIC Official Sign and Advertising Statement Requirements

FDIC currently requires its official sign to be on continuous display where insured deposits are usually and normally received in the insured institution's principal place of business and at all of its branches. FDIC's advertising statement (*i.e.*, Member FDIC) is to be used when advertising deposit products and services.

During this past year of the pandemic, many Wisconsin banks and savings associations found themselves in the unique situation of having to counsel and inform consumers that their deposits were safe and secure due to the strength and soundness of the institution itself, and the applicability of FDIC's deposit insurance coverage. These conversations helped reduce instances of consumers removing large sums of money from FDIC-insured institutions with the intention to keep sums of money at home. WBA believes showing customers in this circumstance the official FDIC sign at a teller window or other places of deposit at the branch were convincing examples to help ease worried customers' minds that despite working through social distancing requirements of a pandemic, customers' deposits were insured. The FDIC official sign and statement, as it is currently designed, has become a readily recognizable source of reassurance for customers.

Due to the consistency of language, look, and use, WBA believes both the official FDIC sign and its advertising statement have established a standard of clarity and certainty for bank and savings association customers regarding deposit insurance. Similar to standards as set by other

designations that have come to mean safe use or protection to users, such as “FDA approved” for example, the use and location of FDIC’s official sign and advertising statement connotes safety of customers’ funds at an FDIC-insured institution. Allowing for changes in the official FDIC sign or advertising statement could result in customer confusion and a de-value in the current meaning of the sign and statement.

Wisconsin’s banks and savings associations have long promoted deposit products and services on-line via their websites or mobile applications. Adding the official FDIC sign or advertising statement has not been difficult to include in either setting. Additionally, many institutions believe the advertising of FDIC membership to be a positive, valuable, selling component of why customers should bank with the institution. WBA recommends FDIC retain its current standard and requirements of both FDIC’s official sign and advertising statement, including through non-traditional channels.

Technology Solutions

WBA believes there to be much flexibility in the creation of new technology for opening accounts and offering deposit products and services in non-traditional ways. In that creation, WBA believes banks and savings associations can incorporate both the official FDIC sign and advertising statement effectively. The sign and statement can be incorporated in any number of manners which can be clear and conspicuous to customers utilizing new technology, including on an institution’s main webpage, on a webpage dedicated to explaining the terms and conditions of a deposit product, and on customer online banking log-in landing pages.

FDIC stated in its information collection that it is exploring whether technological or other solutions might enable consumers to validate when they are interacting with an FDIC-insured institution when visiting websites and using applications of mobile devices. FDIC seeks information about what technology options may be available to allow consumers to make such distinction.

New technologies are constantly becoming available, and existing technologies continue to evolve. As such, banks and savings associations are becoming adept at utilizing a variety of different tools and deciding what is most appropriate to fit their lines of business and customer base. A good example would be the incorporation of electronic signatures and the electronic delivery of required consumer disclosures into online account opening procedures as are required or permitted under applicable rules and regulations, including the Truth in Savings Act, Electronic Funds Transfer Act, Truth in Lending Act, Uniform Electronic Transaction Act, and the Electronic Signatures in Global and National Commerce Act (collectively, the Rules and Regulations). The Rules and Regulations do not prescribe specific technologies or formats that must be used to accomplish this. As such, banks and savings associations have explored a variety of tools, software, and methods that are available in order to meet any requirement and have quickly grown comfortable in utilizing them to accomplish electronic transactions. Thus, WBA encourages FDIC to be flexible when considering technological solutions for consumer interactions with FDIC-insured banks and savings associations through non-traditional channels.

Furthermore, WBA appreciates FDIC’s concerns over fraudulent communications customers receive that appear to be from FDIC-insured institutions and of illegitimate website or mobile applications. Unfortunately, several Wisconsin FDIC-insured institutions have been victims of the email hoaxes and fraudulent misrepresentations. However, WBA is concerned if FDIC were to mandate a particular type of validation process in its advertisement of membership rules.

Consistent with the above, WBA believes that a flexible approach, similar to how the Rules and Regulations mandates certain requirements but permits banks and savings associations to select the method of accomplishment, would be the most suitable option.

WBA believes FDIC-insured banks and savings associations need be given the flexibility to develop new technology and delivery methods as the new systems will best fit into their own technology resources, customer needs, and bank-system operations. Instead of mandating certain processes over communications, WBA believes the better method to protect consumers from scammers and fraudsters is through ongoing industry efforts to educate consumers against email phishing and spoofing, ongoing system monitoring of bank online and mobile systems by bank IT and security staff, and through further FDIC enforcement of violations of Section 18(a)(4) of the Federal Deposit Insurance Act. WBA believes FDIC can best assist FDIC-insured banks and savings associations by providing flexible means to use the FDIC sign and statement as a tool to provide reassurances, rather than mandating certain electronic process or procedures.

Conclusion

WBA appreciates the opportunity to comment on FDIC's information collection related to its advertising membership rules.

Sincerely,

A handwritten signature in cursive script that reads "Rose Oswald Poels".

Rose Oswald Poels
President/CEO