

Advertising Program

EXAMINATION OBJECTIVES

To determine if the savings association's advertisements are accurate, not misleading, and in compliance with applicable rules.

To determine if the savings association's advertising of debt securities is accurate, not misleading, and in compliance with applicable rules.

EXAMINATION PROCEDURES

1. Review the Matters Requiring Board Attention and Corrective Actions from the three or four previous ROEs to ensure that the board and management have taken appropriate corrective action where necessary and persistent problems have not recurred.

2. Review copies of the savings association's advertisements to determine if they are accurate and fairly represent its services, contracts, investments, and/or financial condition, and are not in any way misleading.

3. Determine if the savings association is properly displaying the official sign for SAIF-insured savings associations as required by FDIC regulations.

4. For debt securities:
 - Review copies of the savings association's advertisements to determine that they clearly disclose the features of the secured debt instrument and comply with the advertising requirements.
 - Determine if the savings association sells its securities "over-the-counter"; if so, determine if all communications materials disclose that the security is not federally insured, and is subject to certain "investment considerations" or "risk factors."

Exam Date:	
Prepared By:	
Reviewed By:	
Docket #:	

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- If a “Cash-Bonus” or “Cash Premium” is offered as a sales incentive for purchasing debt securities, determine if all communications state that the receipt of such a bonus could result in certain tax consequences to the potential purchaser.
 - Determine if all communications relating to the sale of secured debt include a legend stating that the potential investor should obtain and read a copy of the offering circular before making an investment in the security.
 - Determine if any communication material contains information which may mislead the general public as to the nature of the debt security or makes comparison to an insured account offered at the savings association.
 - Determine if any communication material makes a statement which implies that the security is likely to remain outstanding until “maturity.”
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EXAMINER’S SUMMARY, RECOMMENDATIONS, AND COMMENTS

Exam Date:	
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