Compliance CHECKLISTS
advertising



DEPOSIT PRODUCTS
The following checklist should be completed to determine whether all appropriate disclosures have been made for deposit product advertisements.

| **Advertising Requirement** | **YES** | **NO** | **NA** | **Comments** |
| --- | --- | --- | --- | --- |
| Does the ad refer to any account as “free” or “no cost” only if no activity or maintenance fee may be imposed? |[ ] [ ] [ ]   |
| Does the ad avoid using the term “profit” when referring to interest paid on an account? |[ ] [ ] [ ]   |
| If a rate of return is stated, is it stated as an “annual percentage yield[[1]](#footnote-1)” using that term? |[ ] [ ] [ ]   |
| If any other rates are stated, is the disclosure limited only to the interest rate?  |[ ] [ ] [ ]   |
| Is the interest rate stated in conjunction with, but not more conspicuously than, the APY to which it relates? |[ ] [ ] [ ]   |
| If the ad states an APY, does it also state the following, as applicable? |
| 1. For variable rate accounts, a statement that the rate may change after the account is opened?
 |[ ] [ ] [ ]   |
| 1. The period of time the APY will be offered or a statement that the APY is accurate as of a specified date?
 |[ ] [ ] [ ]   |
| 1. The minimum balance required to obtain the APY?
 |[ ] [ ] [ ]   |
| 1. The minimum balance required for each tier (for tiered-rate accounts)?
 |[ ] [ ] [ ]   |
| 1. The minimum deposit to open the account?
 |[ ] [ ] [ ]   |
| 1. The minimum balance to avoid fees?
 |[ ] [ ] [ ]   |
| 1. A statement that fees could reduce earnings on the account?
 |[ ] [ ] [ ]   |
| 1. For time accounts, the term of the account?
 |[ ] [ ] [ ]   |
| 1. For time accounts, a statement that a penalty will or may be imposed for early withdrawal?
 |[ ] [ ] [ ]   |
| Does the ad contain the statement, “Member FDIC”? |[ ] [ ] [ ]   |
| If the ad states a bonus, does it also state the following, as applicable? |
| 1. The annual percentage yield, using that term (as well as all the disclosures listed in the section above)?
 |[ ] [ ] [ ]   |
| 1. The time requirement to obtain the bonus?
 |[ ] [ ] [ ]   |
| 1. The minimum balance required to obtain the bonus?
 |[ ] [ ] [ ]   |
| 1. The minimum deposit to open the account?
 |[ ] [ ] [ ]   |
| 1. Timeframe in which bonus will be provided?
 |[ ] [ ] [ ]   |

**NON-DEPOSIT INVESTMENT PRODUCTS**
The following checklist should be completed to determine whether all appropriate disclosures have been made for advertisements of non-deposit investment products.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Advertising Requirement** | **YES** | **NO** | **NA** | **Comments** |
| Does the ad EXCLUDE “Member FDIC”? |[ ] [ ] [ ]   |
| Does the ad include disclosure of the following: |
| 1. Not FDIC-Insured?
 |[ ] [ ] [ ]   |
| 1. No Bank Guarantee?
 |[ ] [ ] [ ]   |
| 1. May lose value?
 |[ ] [ ] [ ]   |
| 1. Not a deposit?
 |[ ] [ ] [ ]   |
| 1. Not insured by any Federal Government Agency?
 |[ ] [ ] [ ]   |
| Does the ad identify any third party company selling the investment product? |[ ] [ ] [ ]   |
| If the ad combines advertising for NDIPs and FDIC-insured deposit products, is the information for NDIPs clearly segregated from the information about the FDIC-insured products in the ad[[2]](#footnote-2)? |[ ] [ ] [ ]   |

**CLOSED-END CREDIT PRODUCTS**
The following checklist should be completed to determine whether all appropriate disclosures have been made for advertisements of closed-end credit products.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Advertising Requirement** | **YES** | **NO** | **NA** | **Comments** |
| Does the ad state only the credit terms that are actually offered, or will be offered, by the bank? |[ ] [ ] [ ]   |
| If the ad states a rate, is it stated as an Annual Percentage Rate, using that term[[3]](#footnote-3)? |[ ] [ ] [ ]   |
| If the simple interest rate is also stated in the ad, is it stated only in conjunction with, and not more conspicuously than, the APR? |[ ] [ ] [ ]   |
| If the APR may increase after consummation, does the ad disclose that fact? |[ ] [ ] [ ]   |
| Are any of the following listed within the ad: |
| 1. Amount or percentage of any down payment? *(This is only a triggering term in a credit sale transaction (i.e., Bank selling OREO)*
 |[ ] [ ] [ ]   |
| 1. Number of payments or period of payment?
 |[ ] [ ] [ ]   |
| 1. Amount of any payment?
 |[ ] [ ] [ ]   |
| 1. Amount of any finance charge?
 |[ ] [ ] [ ]   |
| If any of the above terms are listed in the ad, does the ad also state the following, as applicable: |
| 1. Amount or percentage of down payment?
 |[ ] [ ] [ ]   |
| 1. Terms of repayment?
 |[ ] [ ] [ ]   |
| 1. Balloon payment?
 |[ ] [ ] [ ]   |
| 1. Annual percentage rate?
 |[ ] [ ] [ ]   |
| Does the ad provide illustrative examples to make necessary disclosures required by Regulation Z[[4]](#footnote-4)?  |[ ] [ ] [ ]   |
| **For Credit Secured by a Dwelling** |
| If the ad states a simple annual rate of interest and more than one simple annual rate of interest will apply over the term of the loan, does the ad state each simple annual rate of interest that will apply? |[ ] [ ] [ ]   |
| For variable-rate products, is the rate determined by adding a reasonably current index and margin? |[ ] [ ] [ ]   |
| Does the ad include the period of time during which each simple annual rate of interest will apply? |[ ] [ ] [ ]   |
| Does the ad include the APR for the loan? |[ ] [ ] [ ]   |
| If the ad states the amount of any payment, does the ad disclose the amount of each payment that will apply over the term of the loan, including any balloon payment? |[ ] [ ] [ ]   |
| Does the ad state the period of time during which each payment will apply? |[ ] [ ] [ ]   |
| Does the ad state that the payments do not include amounts for taxes and insurance and that the actual payment obligation may be greater? |[ ] [ ] [ ]   |
| **Tax Implications** |
| If the ad states that the extension of credit may exceed the fair market value of the dwelling, does the ad also state that the interest on the portion of the extension is greater than the fair market value of the dwelling and is not deductible for Federal income tax purposes? |[ ] [ ] [ ]   |
| Does the ad instruct the customer to consult a tax advisor for further information regarding the deductibility of interest and charges? |[ ] [ ] [ ]   |
| **Prohibited Acts or Practices in Advertisements for Credit Secured by a Dwelling** |
| Does the ad avoid using the word “fixed” to refer to rates or payments in advertisements for variable-rate transactions? |[ ] [ ] [ ]   |
| For variable-rate products, does the ad clearly state “adjustable-rate mortgage” or “variable-rate mortgage”? |[ ] [ ] [ ]   |
| Does each use of the word “fixed” contain an equally prominent statement of the time period for which the rate or payment is fixed and the fact that the rate may vary or the payment may increase after that time period? |[ ] [ ] [ ]   |
| For stepped-rate mortgage transactions: Is each use of the word “fixed” to refer to the payment accompanied by an equally prominent statement of the time period for which the payment is fixed and the fact that the payment will increase after that period? |[ ] [ ] [ ]   |
| Does the ad include a statement that taxes and insurance are required? |[ ] [ ] [ ]   |
| Does the ad avoid making any statement that the product offered is a government loan program, government-supported loan or is otherwise endorsed by any federal, state or local government entity unless the ad is for an FHA, VA or similar loan that is endorsed by a government entity? |[ ] [ ] [ ]   |
| Does the ad avoid making any misleading claim that the mortgage product offered will eliminate debt or result in a waiver of forgiveness of a consumer’s existing loan terms with, or obligations to, another creditor? |[ ] [ ] [ ]   |
| Does the ad avoid using the term “counselor” to refer to a for-profit mortgage broker or mortgage creditor, its employees or persons working for the broker or creditors that are involved in offering, originating or selling mortgages? |[ ] [ ] [ ]   |
| Does the ad refrain from providing information about some triggering terms or required disclosures in a foreign language but provides information about triggering terms only in English in the same ad? |[ ] [ ] [ ]   |
| Does the ad avoid using the name of the consumer’s current lender that is not sent by or on behalf of that consumer’s current lender unless the ad discloses with equal prominence the name of the person or creditor making the ad and includes a clear statement that the person making the ad is not associated with or acting on behalf of the consumer’s current lender? |[ ] [ ] [ ]   |
| **For All Loan Ads** |
| Does the ad include the Equal Housing Lender logo? |[ ] [ ] [ ]   |
| If the ad is intended for radio, does the script include the slogan, “Equal Housing Lender”? |[ ] [ ] [ ]   |

**OPEN-END CREDIT PRODUCTS**
The following checklist should be completed to determine whether all appropriate disclosures have been made for advertisements of open-end credit products.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Advertising Requirement** | **YES** | **NO** | **NA** | **Comments** |
| Does the ad state only the credit terms that are actually offered, or will be offered, by the bank? |[ ] [ ] [ ]   |
| Does the ad include any of the following triggering terms *(stated in the affirmative or negative):* |
| 1. Finance charge?
 |[ ] [ ] [ ]   |
| 1. Periodic rate?
 |[ ] [ ] [ ]   |
| 1. Range of balances to which rate is applicable?
 |[ ] [ ] [ ]   |
| 1. APR?
 |[ ] [ ] [ ]   |
| 1. Balance determination method?
 |[ ] [ ] [ ]   |
| 1. Other charges?
 |[ ] [ ] [ ]   |
| Does the ad state clearly and conspicuously any minimum, fixed, transaction, activity or other similar charge that may be imposed? |[ ] [ ] [ ]   |
| Does the ad state any periodic rate that may be applied, expressed as an Annual Percentage Rate? |[ ] [ ] [ ]   |
| If the plan provides for a variable rate, does the ad disclose that fact? |[ ] [ ] [ ]   |
| Does the ad disclose any membership or participation fee that could be imposed? |[ ] [ ] [ ]   |
| For print ads, does the ad contain the Equal Housing Lender logo? |[ ] [ ] [ ]   |
| For radio ads, the does the script contain the slogan, “Equal Housing Lender”? |[ ] [ ] [ ]   |
| **Additional Requirements for Home Equity Plans** |
| Does the ad clearly state any loan fee that is a percentage of the credit limit under the plan? |[ ] [ ] [ ]   |
| Does the ad clearly state an estimate of any other fees imposed for opening the plan[[5]](#footnote-5)?  |[ ] [ ] [ ]   |
| Does the ad clearly state the periodic rate used to compute the finance charge, expressed as an annual percentage rate? |[ ] [ ] [ ]   |
| Does the ad include a statement that taxes and insurance are required? |[ ] [ ] [ ]   |
| Does the ad clearly state the maximum annual percentage rate that may be imposed in a variable-rate plan? |[ ] [ ] [ ]   |
| **Discounted and Premium Rates** |
| If the ad states an initial annual percentage rate that is not based on the index and margin used to make later rate adjustments in a variable rate plan, does the ad also state the period of time such initial rate will be in effect with equal prominence and in close proximity to the initial rate?  |[ ] [ ] [ ]   |
| Does the ad state a reasonably current APR that would have been in effect using the index and margin? |[ ] [ ] [ ]   |
| **Balloon Payments** |
| If the ad contains a statement about any minimum periodic payment and a balloon payment may result if only the minimum periodic payments are made, does the ad also state that a balloon payment may result?  |[ ] [ ] [ ]   |
| Does ad state with equal prominence the amount and timing of the balloon payment that will result if the consumer makes only the minimum payments for the maximum period of time that the consumer is permitted to make such payments? |[ ] [ ] [ ]   |
| **Tax Implications**  |
| If the ad states that the extension of credit may exceed the fair market value of the dwelling, does the ad also state that the interest on the portion of the extension is greater than the fair market value of the dwelling and is not deductible for Federal income tax purposes? |[ ] [ ] [ ]   |
| If the ad states that any interest expense incurred under the home equity plan is or may be tax deductible, does the ad state that the consumer should consult a tax advisor for further information regarding the deductibility of interest and charges? |[ ] [ ] [ ]   |
| Does the ad avoid referring to a home equity plan as “free money” or any other similar misleading terms? |[ ] [ ] [ ]   |
| **Promotional Period and Post-Promotional Rate or Payments** |
| If an APR that may be applied to a plan is a promotional rate, or any payment applicable to a plan is a promotional payment, does the ad state with equal prominence and in close proximity to each listing of the promotional rate or payment, the period of time during which the promotional rate or payment will apply? |[ ] [ ] [ ]   |
| In the case of a promotional rate, does the ad state any annual percentage rate that will apply under the plan? |[ ] [ ] [ ]   |
| In the case of a promotional payment, does the ad state the amounts and time periods of any payments that will apply under the plan[[6]](#footnote-6)?  |[ ] [ ] [ ]   |

1. The abbreviation of “APY” may be used only if “annual percentage yield” is spelled out at least once in the ad. [↑](#footnote-ref-1)
2. Note: It is NOT a recommended practice to include both FDIC-insured and NDIPs within the same advertisement. [↑](#footnote-ref-2)
3. You may use the abbreviation of “APR” as long as “annual percentage rate” is stated at least once in the ad. [↑](#footnote-ref-3)
4. The examples must be labeled as such and reflect representative credit terms made available to present and prospective customers. [↑](#footnote-ref-4)
5. Fees may be stated as a single dollar amount or a reasonable range. [↑](#footnote-ref-5)
6. For variable rate plans, payments shall be disclosed based on a reasonably current index and margin. [↑](#footnote-ref-6)